

Decision No. 6414S

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY to consolidate certain telephone exchanges in Placer County, and to establish a special rate area and extended service.

Application No. 44201
(Filed February 20, 1962)

In the Matter of the Investigation on the Commission's own motion into the reasonableness, adequacy, or sufficiency of the telephone rates and service of The Pacific Telephone and Telegraph Company being rendered in Placer County.

Case No. 7300
(Filed March 20, 1962)

(Appearances are set forth in Appendix B)

INTERIM OPINION

The above-entitled matters were heard on a consolidated record before Examiner William W. Dunlop at Auburn on July 18, 19, and 20, 1962. The hearings were then continued to August 6, 1962.

At the hearing on July 18, 1962, The Pacific Telephone and Telegraph Company, among other things, proposed an interim arrangement for furnishing subscribers in the Meadow Vista area and in the Applegate portion of the proposed special rate area, which is presently outside the Applegate base rate area, urban grades of service without suburban mileage charges pending the proposed Applegate-Auburn consolidation and the proposed introduction of extended service in certain exchanges in Placer County.

Rates proposed by Pacific for such interim service for principal classifications follow:

<u>Classification</u>	<u>Interim Arrangement</u>	
	<u>Proposed Meadow Vista Special Rate Area</u>	<u>Applegate Portion of Proposed Special Rate Area</u>
Business		
1-Party	\$8.75	\$6.50
2-Party	6.80	5.10
Residence		
1-Party	5.65	4.15
2-Party	4.30	3.35
4-Party	3.50	2.75

Pacific proposed further to continue as temporary deviations present Auburn suburban foreign exchange service to existing customers located in the expanded portion of the Applegate base rate area until Auburn and Applegate exchanges are consolidated and extended service is introduced. Pacific stated it could provide such interim service improvement within ninety days after September 16, 1962, or within ninety days after Commission authorization, whichever date is later.

Thereafter, at the hearing on July 20, 1962, because of the possibility of delay in completing the hearings and in resolving all issues involved in the proceedings, staff counsel moved that the Commission issue an interim order directing Pacific to establish a special rate area in Meadow Vista and expand the Applegate base rate area in order to upgrade and improve service in that area as soon as possible. Said motion was opposed by Pacific, the Farm Bureau and several members of the public on the ground, among others, that granting of the motion might adversely affect the resolution of other issues raised in the proceedings. After argument, said motion was taken under submission and is the subject of this interim opinion and order. Other issues raised in these proceedings are not decided herein but will be the subject of a separate opinion and order.

The record reveals that it will take Pacific some 18 months or more to implement its proposed over-all extended service plan;

that a new central office is scheduled for completion in Meadow Vista by September 16, 1962; that present telephone service in the Meadow Vista area is furnished principally on a suburban 8-party line basis; and that it would be feasible to provide urban grades of service without suburban mileage charges in the Meadow Vista area and in certain portions of Applegate exchange under an interim arrangement within approximately ninety days from September 16, 1962.

The record is convincing and we find that Pacific should provide improved service to the Meadow Vista and Applegate areas at as early a date as possible, generally in accordance with its proposed interim arrangement presented at the hearing on July 18, 1962, and as described herein.

Accordingly, the staff's motion will be granted without prejudice, however, to any of the other issues raised in the proceedings to be decided by a separate opinion and order. We find that the increases in rates and charges authorized herein are justified, that the rates and charges authorized herein are reasonable, and that present rates and charges insofar as they differ from those herein authorized will, upon the establishment of Meadow Vista special rate area and the expansion of the Applegate base rate area, be unjust and unreasonable.

INTERIM ORDER

IT IS ORDERED that:

1. The Pacific Telephone and Telegraph Company, after the effective date hereof and on or before December 16, 1962, shall establish a special rate area in the Meadow Vista portion of its Auburn exchange and expand the Applegate base rate area to include the Applegate portion of the proposed special rate area substantially as shown on Exhibit 1.

2. The Pacific Telephone and Telegraph Company is authorized and directed upon the expansion of the Applegate base rate area, as provided in ordering paragraph 1, to continue as temporary deviations present Auburn suburban foreign exchange service to existing customers located in the expanded portion of the Applegate base rate area until further order herein.

3. Necessary tariff schedule filings to reflect the establishment of the Meadow Vista special rate area and the expansion of the Applegate base rate area as provided in ordering paragraph 1 and to reflect the changes in rates set forth in Appendix A hereof, shall be made in accordance with General Order No. 96-A to become effective upon five days' notice to the Commission and to the public.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 21st day of AUGUST, 1962.

George H. Grover
President
John A. Mitchell
James H. Taylor
Everett H. Leary
Frederic B. Holslopp
Commissioners

APPENDIX A

RATES

	<u>Rate per Month</u>	
	<u>Meadow Vista Special Rate Area</u>	<u>Applegate Base Rate Area</u>
<u>Business</u>		
1FB	\$ 8.75	\$6.50
2FB	6.80	5.10
CSP	1.75 plus .22 per day	.75 plus .20 per day
PEX-TKS	12.50	9.75
FLB	2.00*	1.30*
<u>Residence</u>		
1FR	5.65	4.15
2FR	4.30	3.35
4FR	3.50	2.75
FLR	1.25*	.80*

* Service furnished from special
or base rate area.

APPENDIX B

LIST OF APPEARANCES

Arthur T. George and Maurice D. L. Fuller, Jr., by Maurice D. L. Fuller, Jr., for The Pacific Telephone and Telegraph Company, applicant in Application No. 44201 and respondent in Case No. 7300.

Thomas E. Srednik, for Roseville Telephone Company, Colfax Telephone Company and Forest Hill Telephone Company, protestants in Application No. 44201 and interested parties in Case No. 7300.

Ralph Hubbard, for California Farm Bureau Federation and Placer County Farm Bureau; Joe Varni, for Placer County Farm Bureau; Neal C. Hasbrook, for California Independent Telephone Association; Edmond J. Pilz, for Aero Chamber of Commerce; Mildred Taylor, for Penryn P.T.A.; Carmen M. Elkus, for Loomis Junior Women's Club; Mrs. Dorothy Barnhill, for Loomis Women's Club; Eleanor B. Sternberg, for Newcastle Community Club and for herself; Patrick Buchanan, for Meadow Vista Merchants Association; Sidney V. Dennison, for Auburn Area Chamber of Commerce; Mrs. Rose M. Smith, for Friendly Neighbors Club of Meadow Vista; James H. Smith, for himself; Lillian Campbell, for Loomis Garden Club; R. L. Logerwell, for Loomis Lions Club; James T. Williams, for Rocklin-Loomis Municipal Utility District; George A. McKisson, for Long Valley Grange No. 642 and for himself; Mrs. Jean Wegmann and Mrs. Frances Hill, for Meadow Vista Garden Club; Leona Kemmet, for Penryn Area Pomona Home Economic Chairman; Richard E. Saladana, for himself; Juanita Waycott, for Community Covenant Church of Rocklin; Robert Norris, for the City of Auburn; David Thom, for himself; Fred L. Husse, Jr., for himself; Mrs. Chester Hudson, for herself; Mrs. Margaret C. Monahan, for herself; Mrs. John Aitken, for herself; Clifford Ramos, for Meadow Vista Fire Department; Alfred C. Poeschel, for Fraternal Order of Eagles, Donner Aerie No. 2366; Kenneth M. Reinerts, for Placer Hills Union School District; Merlin Lay, for Meadow Vista Co. Water District and Meadow Vista Planning Committee; Mrs. Francis Deane, for herself.

Elinore Charles and Paul Popenoe, Jr., for the Commission staff.