

Decision No. 66143**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

The Redwood Empire Telephone System,)
a corporation,)

Complainant,

vs.

Case No. 7716

The Pacific Telephone and Telegraph
Company, a corporation,)

Defendant.)

Bacigalupi, Elkus & Salinger, by William G. Fleckles,
for The Redwood Empire Telephone System, complainant.
Arthur T. George and Maurice D. L. Fuller, Jr., for
The Pacific Telephone and Telegraph Company,
defendant.
Ermet Macario, for the Commission staff.

O P I N I O N

On September 16, 1963, The Redwood Empire Telephone System, a corporation, filed a complaint against The Pacific Telephone and Telegraph Company requesting an immediate order without notice restraining defendant from further constructing telephone plant in an area within which both companies seek authority to provide exchange service. By Decision No. 66040 dated September 18, 1963, the Commission issued an interim cease and desist order. A public hearing was held before Examiner Daly on September 30, 1963, at San Francisco.

The record indicates that in February 1962, complainant's management decided that upon completion of adequate toll trunking facilities to its Cazadero Central office and the completion of

scheduled modernization of said office, that complainant would extend the boundaries of its Cazadero exchange westward to the Pacific Ocean so as to provide exchange service to the communities of Fort Ross, Timber Cove, Seaview Ridge, Ocean Cove, Salt Point, Plantation, Stewarts Point and their environs in Sonoma County. The modernization of complainant's Cazadero central office was completed on September 2, 1962, with the cutting in of a modern Stromberg-Carlson "XY" dial central office exchange and toll trunking facilities to the Cazadero office were completed and cut in on or about July 1, 1963, at which time complainant instituted a direct distance dialing service.

On August 8, 1963, complainant's president appeared at Fort Ross School to speak before a group of local residents desiring an improvement in telephone service. He advised them that within a week complainant intended to file revisions in its tariff schedules and extend its exchange service. Also present were representatives of defendant who took notes of the meeting.

On August 14, 1963, complainant filed its Advice Letter No. 6 for the purpose of enlarging its Cazadero exchange area by the addition of 98 square miles of unfiled territory. On August 13, 1963, defendant filed Application No. 45673 requesting authority to create a new "Timber Cove Exchange" contiguous to its Annapolis exchange. At the present time defendant provides a toll station service in the area covered by its application. After determining that the proposed extensions resulted in a considerable overlapping, the Commission by its order issued September 10, 1963, (1) suspended the complainant's advice letter, (2) instituted an investigation in Case No. 7706 and (3) consolidated Application No. 45673 and Case No. 7706 for hearing.

On September 6, 1963, defendant began to dig holes and set new poles on Timber Cove Road and to erect cable along Fort Ross Road and Seaview Road in the overlapping area. The cable being installed is plastic covered, 19 gauge, 50 pair.

Defendant admits that on September 6, 1963, it began work in the disputed area, but contends that the work is part of a project undertaken to achieve the following: (1) improve the toll service to its Annapolis exchange and to toll stations located around Fort Ross, Timber Cove and Stewarts Point, and (2) provide diversified facilities for existing and future toll and special service development in the coastal area north of the Timber Cove area. The work assertedly was prompted due to the fact that the open-wire lead between the Annapolis exchange and Monte Rio exchange runs through heavily wooded areas, which are often blanketed by salt-water fog and buffeted by heavy winds. As a result, it is vulnerable to damage from heavy winds, falling limbs and trees. In serving the areas surrounding Fort Ross, Timber Cove and Stewarts Point defendant uses the same open-wire toll lead that serves the Annapolis toll trunks. Because of the open-wire leads defendant claims that it has experienced a long history of service outages on the toll trunks between its Annapolis exchange and its Santa Rosa switchboard, particularly during the rainy season.

According to defendant the overall plan is to transfer all toll traffic in the area from open-wire toll circuits to cable in both the Annapolis and Timber Cove areas. The project is assertedly to be done in two phases. In the first phase all toll station circuits and half of the Annapolis toll circuits would be transferred

from the open-wire lead to existing cable between Monte Rio and Duncan Mills in the Monte Rio exchange. In addition defendant proposes to take the toll circuits off the open wire along Fort Ross Road and place a cable along existing poles from Seaview to Fort Ross, and then along State Highway 1 to Timber Cove, a distance of approximately five and one-half miles. At the time that work was stopped pursuant to the Commission's cease and desist order, the first phase was within three weeks of completion. Later this year defendant proposes to commence the second phase of the project, which would include the placing of protected toll cable between Seaview and the Monte Rio exchange and between the Timber Cove area and the Annapolis exchange. It was expected that this phase of the project would be completed in early 1964.

The estimated total cost for the entire project is \$150,000. The use of 50-pair cable is justified upon defendant's estimate that future growth in toll service will increase to 25 pairs by 1966, and 50 pairs by 1975. Defendant contends that with the cost of placing and splicing cable it is cheaper to place one cable now than a series of cables over the years.

Defendant contends that its plans to improve existing toll services have been of a long standing duration and that it had intended to do the job in 1965, but as a result of a survey made in the area during August 1963, it was decided to commence immediately. Defendant claims that the proposed improvements would be made regardless of whether or not it is authorized to provide exchange service in the Timber Cove area. Defendant admits that the improvements if completed could be used for both toll and exchange services.

After consideration, the Commission finds that:

1. Complainant and defendant have sought authority from this Commission to provide exchange service in the Fort Ross-Timber Cove-Stewarts Point area.

2. Defendant has commenced a construction program which would not only improve its toll service but would facilitate exchange service if the authority sought by defendant were granted.

3. Defendant has almost completed the first phase of its operation. Work on the second phase would commence later this year and would continue during the winter months. Even with defendant's time schedule the elimination of the hazards complained of due to weather conditions would not be realized until after the end of the rainy season.

4. Any further construction by defendant beyond the completion of the first phase of the project could give defendant a decided advantage in the ultimate disposition of Application No. 45673 and Case No. 7706.

The Commission therefore concludes that defendant may complete construction of phase one and that the Commission's cease and desist order should remain in full force and effect with respect to the second phase.

O R D E R

IT IS ORDERED that Decision No. 66040 is modified to the extent that The Pacific Telephone and Telegraph Company is authorized to complete toll cable construction between Seaview, Fort Ross and Timber Cove, change or rearrange carrier equipment in the same

vicinity, string open wire for about 13,000 feet north of Timber Cove, and add or remove toll stations as required, and

IT IS FURTHER ORDERED that the order in Decision No. 66040, except as modified by the ordering paragraph above, shall remain in full force and effect until further order of this Commission.

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

Dated at San Francisco, California, this 15th day of October, 1963.

William W. Bennett
President
John E. Randall
Robert A. Kapp
George H. Dwyer
Frederick B. Hollohoff
Commissioners