

**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

THE PACIFIC TELEPHONE AND TELEGRAPH  
COMPANY, a corporation,

Complainant,

v.

CALIFORNIA VALLEY MUTUAL TELEPHONE  
COMPANY, a corporation, and SAN  
MIGUEL TELEPHONE COMPANY, a cor-  
poration,

Defendants.

Case No. 7845

INTERIM ORDER

The allegations of the verified complaint herein may be summarized as follows: On January 15, 1964 complainant applied for authority to establish an exchange in San Luis Obispo County, to be designated the California Valley Exchange (Application No. 46104.) The area of the proposed exchange includes approximately 100 square miles of territory presently within complainant's Santa Margarita Exchange. It also includes approximately 200 square miles of "presently unassigned territory." Within the proposed exchange is the community of El Chicote. Complainant now furnishes service in that portion of the proposed exchange which is "unassigned territory", by means of 26 semipublic and 3 public toll stations. Six of these toll stations are in El Chicote. In November of 1963 complainant conducted a canvass of residents within the proposed exchange, and 113 individuals signed applications for exchange service, 33 for business service and 80 for residential service.

Defendant San Miguel Telephone Company is a public utility telephone corporation providing service in and about San Miguel, San Luis Obispo County.

Defendant California Valley Mutual Telephone Company, according to its corporate articles filed December 31, 1963, was formed to "provide local and long-distance telephone services and provide electrical power solely and exclusively for the members of this corporation" in and near a subdivision generally known as California Valley.

On information and belief it is alleged that defendant California Valley Mutual is constructing telephone facilities in the vicinity of El Chicote, such facilities being designed to provide telephone exchange service, and also long-distance toll telephone service through interconnection by microwave channel with the Parkfield Exchange of defendant San Miguel, and by that means with the telephone toll network throughout California and the nation.

Complainant's information and belief is derived in part from two quoted newspaper articles, indicating that 30 miles of pole lines were practically completed on January 23, 1964, and that within a fortnight thereafter defendant California Valley Mutual would begin serving some 60 members. Complainant's employees have reported observing construction work in progress by defendant California Valley Mutual and the "presence of employees of defendant San Miguel Telephone Company aiding in this construction."

Defendant California Valley Mutual is attempting to persuade lot-owners to rescind orders for Pacific Telephone exchange service. The facilities being constructed by defendant California Valley Mutual, and the proposed microwave interconnection with defendant San Miguel, will provide public utility service and California Valley Mutual will be a public utility telephone company. That defendant has not applied to the Commission for

authority, has not filed proposed exchange boundaries, and has not filed tariffs. The construction work being carried on is an unlawful attempt "to pre-empt territory which Pacific Telephone has duly applied to serve."

Complainant requests an immediate desist order so that the Commission may investigate all of the circumstances and render its appropriate order.

Good cause appearing, IT IS ORDERED that California Valley Mutual Telephone Company, a corporation, and its officers, agents, and employees, pending further Commission order herein, shall immediately cease and desist and shall refrain from constructing any new "telephone line", as defined in Public Utilities Code section 233, or from constructing any additions to or extensions of any such existing "line", within or for service to the area of complainant's proposed California Valley Exchange.

Hearing in Case No. 7845 is set for 10 o'clock a.m. on Thursday, the 5th day of March, 1964 in the Council Chambers, City Hall, 1030 Spring Street, Paso Robles, California, before Commissioner McKeage or Examiner Power, or such other Commissioner or Examiner as may hereafter be designated, it being found that public necessity requires a hearing on less than 10 days' notice.

The Secretary is directed to cause certified copies of this order, together with copies of the complaint herein, to be served forthwith upon California Valley Mutual Telephone Company and San Miguel Telephone Company. Each of said defendants is directed to serve and file its answer to the complaint herein not later than the date of hearing, unless further time be

granted by the presiding officer. The Secretary is also directed to cause a certified copy of this order to be served upon The Pacific Telephone and Telegraph Company.

Dated at San Francisco, California, this 25th day of February, 1964.

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 President  
*[Signature]*  
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*[Signature]*  
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*[Signature]*  
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 Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.