

ORIGINAL

Decision No. 67084

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of THE PACIFIC TELEPHONE AND
TELEGRAPH COMPANY, a corporation,
for authority to establish two
exchange areas to be designated
Mount Waterman and Mount Gleason
and to enlarge the Pasadena
exchange.

Application No. 45660
(Filed August 9, 1963)

Arthur T. George and Maurice D. L. Fuller, Jr.,
by Maurice D. L. Fuller, Jr., for The Pacific
Telephone and Telegraph Company, applicant.
Paul Popenoe, Jr., for the Commission staff.

O P I N I O N

This application was heard before Examiner Coffey at Los Angeles on December 5, 1963. It was submitted upon the receipt of the transcript and statements of counsel on December 24, 1963. Copies of the application were served in accordance with the Commission's procedural rules.

Applicant presented testimony by one witness in support of its request for authority to establish two exchanges, designated Mount Waterman and Mount Gleason, and to enlarge the Pasadena exchange, all within the Angeles National Forest, Los Angeles County. A staff witness testified and presented two exhibits in opposition to applicant's request. No member of the public attended the hearing or presented testimony.

The proposed Mount Waterman exchange includes 144 square miles of territory; the proposed Mount Gleason exchange includes 112 square miles of territory and the proposed enlargement of the

Pasadena exchange would add approximately 2 square miles of territory. These contiguous territories are approximately 15 air-line miles north of the Cities of Burbank, Pasadena, and Glendora. Substantially all of the area under consideration is mountainous, being for the most part extremely rugged with peaks or ridges rising to 8,000 feet of elevation and with numerous steep canyons. The southern portions of the area are timbered while the most northerly portions are semiarid. The main access through the territory of the proposed Mount Gleason exchange is the Angeles Forest Highway and through the proposed Mount Waterman exchange is the Angeles Crest Highway. Only fire and picnic trails are available for access into regions away from the main routes, many of which are closed to public use during part of the year due to fire hazard.

Outside of military and governmental facilities, the area is used primarily for recreational purposes, containing designated picnic and camping areas, a number of private cabins, and several organization and community camps. In the higher elevations there are skiing facilities. No community development exists on a significantly permanent basis.

Applicant alleges that the Forestry Service of the United States Department of Agriculture estimated that some 213,000 vehicles brought 850,000 visitors into this recreational area in 1960, that about 20,000 persons occupied various camps in the area for an average of five days each and that the Service currently estimates that 3,000 vehicles per day are visiting the area.

The Forestry Service advised the staff that future development within the area under consideration will be limited almost exclusively to additional camping grounds and some ski sites,

that no significant amount of private land exists in the area under consideration, and that no land will be sold by the Service.

In the proposed Mount Waterman exchange, applicant presently provides toll station service from a toll lead originating in the Pasadena Exchange to 14 stations. "Farmer line"^{1/} service is provided to a U.S. Forest Service line on which there are 8 stations.

In the proposed Mount Gleason exchange, applicant presently provides toll station service, by means of a circuit from the Palmdale exchange, to 4 locations. A toll circuit, serving one toll station, extends from the Newhall exchange to a point just inside the proposed Mount Gleason boundary. The Los Angeles County Flood Control District has 4 "farmer line" stations within the proposed exchange area, served by a line from the Pasadena exchange.

The U.S. Forest Service and the Los Angeles County Flood Control District have advised the staff that the present service arrangement is satisfactory.

Applications have been received for one additional toll station in the proposed Mount Waterman exchange and 6 additional toll stations in the Mount Gleason exchange. Applicant anticipates that early in 1964 the requirement for service in the Mount Gleason exchange will be met. Requests have been received for foreign exchange service at one location in each of the proposed exchanges and the applicant anticipates additional requirements at two locations. One location, requesting Newhall foreign exchange service, is approximately one mile from the eastern boundary of the

^{1/} This service is an unauthorized deviation from applicant's tariffs which restrict "farmer line" service to suburban areas of exchanges.

Newhall exchange and the other location, requesting Pasadena foreign exchange service, is approximately one-half mile from the proposed extended boundary to the Pasadena exchange.

Applicant proposes initially to offer only foreign exchange and toll station service within the two new exchanges since the proposed exchanges are relatively undeveloped. Applicant was unable to estimate when, if ever, exchange service would be warranted.

Applicant contended that:

(1) The establishment of the exchanges proposed would enable applicant to best meet the telephone needs of visitors to the recreational facilities in the area, of transients traversing the area and of permanent residents and operations.

(2) The establishment of exchange areas and assignment of responsibility to applicant will, because of the assurance as to the protection of its investment, enable it to proceed with the extension of telephone service in marginal situations within an area where applicant would not otherwise be justified in assuming the burden.

(3) The establishment of the exchange areas proposed will enable it to meet requirements for foreign exchange service.

The staff recommended that:

1. The proposed exchanges not be established at the present time since exchange service was not offered nor had the need therefor been established.

2. The Pasadena exchange be restricted to its present boundaries since no applicants for service are included in the proposed enlargement.

3. The Newhall exchange be enlarged to take in the Newhall foreign exchange applicant.

4. The applicant for Pasadena foreign exchange service be served by expanding the Pasadena exchange or under the provision of General Order No. 96-A which provides that governmental agencies may receive service under conditions departing from filed tariffs.

5. The Los Angeles Flood Control District also be served under said provision of General Order No. 96-A at no increase in rates.

6. Applicants for adjacent exchange service who are a substantial distance from the exchange boundary be served by revising appropriate tariffs to provide for foreign exchange service in nonexchange territory contiguous to the exchange from which service is requested.

While agreeing that there may be high cost-to-serve areas warranting special rate arrangements for exchange telephone service, the staff did not view foreign exchange service as an appropriate answer. The staff believes it would be more appropriate to apply special rate zones to existing exchanges.

Applicant advised California Water & Telephone Company, Sunland-Tujunga Telephone Company, California Interstate Telephone Company and General Telephone Company of California, who have exchanges either adjacent to or in the vicinity of the proposed exchanges, of its plans and was informed that said companies had no objections thereto.

Applicant's tariffs presently provide:

1. Only for public and semipublic toll station service and not for private toll station service.

2. For installation of toll stations at the discretion of the company.

3. That toll stations are limited to locations adjacent to existing toll-line routes.

4. For provision by applicant for service of necessary construction, exclusive of wire.

Applicant's witness testified that if applicant were assured that it had the obligation to provide service in the territory, then it would do whatever was necessary to see that the customers received service in accordance with the tariff conditions. This Commission notes that the obligation to serve the public results from actions of applicant which constitute dedication. It is obligated to serve under its filed tariffs.

Findings

Upon consideration of the evidence the Commission finds that:

1. It is in the public interest to fix responsibility for telephone service within the proposed exchange areas.

2. It is in the public interest to establish the proposed exchange areas, within which exchange service will not at this time be offered.

3. It is in the public interest that within the proposed exchange areas private, as well as public and semipublic toll station service be offered to the public and that other changes be made in the conditions of toll station service as hereinafter provided.

4. It is in the public interest that the granting of the authority be conditioned as hereinafter provided.

5. The increases in rates and charges authorized herein are justified, the rates and charges authorized herein are reasonable, and the present rates and charges, insofar as they differ from those herein prescribed, are for the future unjust and unreasonable.

The Commission concludes that applicant should be authorized to establish the proposed exchanges, to enlarge the Pasadena exchange area, and to provide foreign exchange and toll station service, under conditions as hereinafter set forth. However, applicant is not to consider the authorization herein contained as a precedent for the staking out of claims to undeveloped territory prior to the clear and convincing demonstration of the public need for service. Further, the exercise of the authorization herein contained will be conditioned upon the agreement by applicant to render such public utility telephone service under such conditions of service as this Commission may in the future prescribe.

ORDER

IT IS ORDERED that:

1. After the effective date of this order and before one year after said effective date, in conformance with General Order No. 96-A, applicant is authorized to file tariff schedules which will:

- (a) Establish two new exchanges designated Mount Waterman and Mount Gleason and enlarge the Pasadena exchange area, with boundaries substantially as indicated on Exhibit A attached to the application.
- (b) Provide foreign exchange service and toll station service in said new exchanges.

Said tariff schedules shall provide for the following conditions applicable to toll station service:

1. Private toll station service shall be offered for the subscriber's exclusive use,
2. Service shall be offered anywhere within the filed area regardless of proximity to existing lines,
3. Charges for and conditions of line extensions necessary to extend from the nearest existing toll lines shall be in accordance with the present line extension schedule applicable for exchange telephone service, and
4. The condition that toll stations will be established at the discretion of the company shall be eliminated.

Said tariff schedules shall become effective upon five days' notice to this Commission and to the public after filing as hereinabove provided.

2. The authority herein granted shall not become effective until applicant files with this Commission a statement that it agrees to render such exchange or other public utility telephone service within said new exchanges and under such conditions of service as this Commission may prescribe.

3. The authority herein granted shall expire if not exercised within one year after the effective date of this order.

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

Dated at San Francisco, California, this 14th day of APRIL, 1964.

William L. Bennett
President
George E. ...
...
Frederick B. Holdcroft

Commissioners