

ORIGINAL

Decision No. 69427

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 CALIFORNIA INTERSTATE TELEPHONE)
 COMPANY, a Corporation, for authority)
 to establish the Mammoth Lakes)
 Exchange Area in that portion of)
 the Crowley Lake Exchange Area served)
 by the Mammoth Lakes Central Office)
 and to continue in effect in said)
 proposed Exchange Area those rates)
 that are presently applicable to the)
 Mammoth Lakes Special Rate Area, and)
 to establish extended area calling)
 between said proposed Exchange Area)
 and the Crowley Lake Exchange Area.)

Application No. 47539
 (Filed April 30, 1965,
 amended June 9, 1965)

OPINION AND ORDER

The California Interstate Telephone Company requests this Commission to authorize: (1) establishment of the Mammoth Lakes Exchange Area in that portion of the Crowley Lake Exchange Area served by the Mammoth Lakes Central Office, with boundaries as shown in Exhibits D, F, and G, attached to the application as amended; (2) establishment of a base rate area for the proposed Mammoth Lakes Exchange Area having the same boundaries as the present Mammoth Lakes Special Rate Area; (3) continuation, in the proposed Mammoth Lakes Exchange Area, of the rates presently applicable to the special rate area; (4) establishment of extended service between the proposed Mammoth Lakes Exchange Area and the Crowley Lake Exchange Area; and (5) establishment of a new toll rate point for the proposed Mammoth Lakes Exchange Area at the location of the Mammoth Lakes Central Office. (The central office location is shown by description on page 3 of the application and by plat in Exhibit C attached to the application.) Applicant further requests that the authorization

sought be granted ex parte in order that proposed changes may become effective prior to July 1, 1965, publisher's closing date for applicant's telephone directory for the proposed Mammoth Lakes and Crowley Lake Exchanges. ^{1/}

Purpose of the Proposal

The purpose of the proposal is to provide exchange, directory, and rate and route guide identity for the rapidly growing resort area of Mammoth Lakes. Establishment of Mammoth Lakes Exchange identity is proposed to facilitate toll calling into the area and to permit the resort business, on which the area depends, to carry on more effective advertising and promotional programs. The proposal is pursuant to requests from Mammoth Lakes subscribers and has been endorsed by the Mammoth Lakes Chamber of Commerce and the Mammoth Lakes Lions Club. (Letters from these organizations are attached to the application as Exhibit J, Sheet 1 of 2 and Sheet 2 of 2.) Permanent residence subscribers in the area are, for the most part, engaged in or associated with resort business. The organizations endorsing the proposal are broadly representative of the interests of both residence and business subscribers. The applicant did, however, send notices to all Mammoth Lakes subscribers on June 10, 1965 because it has requested ex parte disposition. The request for ex parte action was made to permit applicant to meet a directory deadline of July 1, 1965.

Billing and Service Effects

The proposal would make no change in monthly exchange rates or local calling areas for either Mammoth Lakes or Crowley Lake subscribers. Local traffic between the two communities, which is now intraexchange traffic between two central offices in the Crowley Lake Exchange, would become interexchange extended calling between the

^{1/} Due to the amendment of June 9, and in view of the time required to notify subscribers, it was not possible to process the application by July 1.

two exchanges resulting from the proposed division. The only billing effects under the proposal are changes in toll rates for Mammoth Lakes' subscribers; these result from establishment of a new toll rate point for the new exchange. The toll rate changes involve both increases and decreases, ranging from \$.05 to \$.10 for the initial period charge. Examples of these initial period rate effects are tabulated below:

	<u>From</u>	<u>To</u>	<u>Present</u>	<u>Proposed</u>	<u>Increase</u>	<u>Decrease</u>	
1.	Mammoth Lakes	Bishop	\$.35	\$.45	\$.10	\$	
2.	"	"	Bridgeport	.60	.50	.10	
3.	"	"	Lee Vining	.40	.30	.10	
4.	"	"	Lone Pine	.75	.80	.05	
5.	"	"	Los Angeles	1.10	1.15	.05	
6.	"	"	Pasadena	1.10	1.15	.05	
7.	"	"	Reno	.70	.65		.05
8.	"	"	Santa Ana	1.15	1.20	.05	
9.	"	"	Santa Monica	1.10	1.15	.05	

Applicant made a study to determine the annual toll billing effects on the 218 subscribers in the proposed Mammoth Lakes Exchange Area. Results of this study are shown on First Amended Exhibit I, Sheet 2 of 2. The estimated total annual toll billing effects are as follows: increase \$3,125.64; decrease \$258.03; and net increase \$2,867.61. The average net increase per subscriber is approximately \$1.10 per month. Magnitude of the toll billing effects was known to the Mammoth Lakes Chamber of Commerce and the Mammoth Lakes Lions Club at the time of their endorsements of the proposal. The sample rate changes tabulated above were included in the notice mailed to all Mammoth Lakes subscribers by applicant on June 10, 1965. No protests have been received from any subscriber within the proposed Mammoth Exchange.

Proposed Exchange Rates

The proposal would continue in the proposed Mammoth Lakes Exchange Area those rates now applicable in the Mammoth Lakes Special Rate Area and would also make no change in the exchange rates for Crowley Lake. As previously noted, the local calling areas for both communities would remain the same as at present except for the technical effect of classifying traffic between them as "extended" rather than intraexchange. The change will establish the first extended area treatment in applicant's system. However, it represents only a preservation of present local calling areas, after exchange division, and not an extension of present local calling privileges. Hence, it confers no benefit on Crowley Lake subscribers. For this reason applicant proposes no increase in Crowley Lake exchange rates to reflect "extended treatment". Comparison of these rates is shown below:

<u>Exchanges</u>	<u>Business Service</u>		<u>Residence</u>		
	<u>Individual Line</u>	<u>2-Party Line</u>	<u>Individual Line</u>	<u>2-Party Line</u>	<u>4-Party Line</u>
Crowley Lake	\$ 8.45	\$7.05	\$5.25	\$4.25	\$3.50
Mammoth Lakes	10.25	8.15	5.75	4.75	4.00

Plant Effects

The proposal requires no change in present serving arrangements, and there are no plant effects arising from the proposal. Applicant, however, plans to expand the Mammoth Lakes Central Office from 400 lines and 400 terminals to 1400 lines and 1700 terminals by April 1966 in order to provide currently forecasted service demands. Toll trunk additions and interexchange extended service trunk additions will also be needed to meet these anticipated demands.

Characteristics of the Area

The present Crowley Lake Exchange includes an area of approximately 250 square miles. At the time of the study (September 30, 1964) there were 303 primary stations in the exchange, 221 of which were in the proposed Mammoth Lakes Exchange Area. Applicant reports a growth in telephones served from the Mammoth Lakes Central Office of 41.3% "in the past twelve months". This contrasts with a growth rate of 4.9% in telephones served from the Crowley Lake Central Office in the same period. The large and increasing disparity in the size of the two communities is one of the factors leading to a demand for exchange identity for Mammoth Lakes. The proposal would divide the 250 square miles presently constituting the Crowley Lake Exchange into a Mammoth Lakes Exchange of approximately 117 square miles and a Crowley Lake Exchange of approximately 133 square miles. Based on study period station data (September 30, 1964), the new Mammoth Lakes Exchange would have 221 primary stations and the reduced Crowley Lake Exchange would have 82 primary stations.

Findings and Conclusion

The Commission has given consideration to this matter and finds that a public hearing is not necessary; that dividing the present Crowley Lake Exchange into a new Mammoth Lakes Exchange and a Crowley Lake Exchange, reduced in size, as set forth in the application, including establishment of extended area service to the extent proposed, is in the public interest; that the increases and decreases in toll charges resulting from the establishment of a toll rate point for the proposed Mammoth Lakes Exchange are, in the premises, justified; and that the resulting toll charges authorized herein are reasonable.

We conclude that applicant's request as amended should be granted.

IT IS ORDERED that:

1. California Interstate Telephone Company is authorized to establish the Mammoth Lakes Exchange Area and the toll rate point proposed in the application.

2. Applicant is authorized to file with this Commission, after the effective date of this order and in conformity with General Order 96-A, revised maps as shown in Exhibit E and First Amended Exhibits D, F and G.

3. Applicant is authorized to file with this Commission, after the effective date of this order and in conformity with General Order 96-A, revised tariff sheets as shown in Exhibit H and revised toll rates as proposed in Exhibit I, and, on not less than 5 days' notice to the Commission and to the public, to make said rates effective upon the establishment of the Mammoth Lakes Exchange Area.

4. The authorization granted herein will expire unless exercised on or before August 1, 1966.

Dated at San Francisco, California, this 27th day of July, 1965.

Frederic B. Hollett
President
George T. Brown
August

Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.

-6- Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.