

ORIGINAL

Decision No. 69870

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of CALIFORNIA INTERSTATE)
 TELEPHONE COMPANY, a corporation, for)
 authority to expand the Pine Creek)
 Exchange Area to include unfiled)
 territory and portions of the Bishop)
 and Crowley Lake Exchanges, to estab-)
 lish Bishop Exchange rates for sub-)
 scribers to Pine Creek service, to)
 establish a new Pine Creek Central)
 Office and relocate the Pine Creek)
 Base Rate Area and Toll Rate Center,)
 and to establish extended area call-)
 ing between the Pine Creek Exchange)
 and the Bishop Exchange.)

Application No. 47746
 Filed July 15, 1965

OPINION AND ORDER

California Interstate Telephone Company requests this Commission to authorize: (1) expansion of the Pine Creek Exchange to include 56 square miles from the Bishop exchange, 5 square miles from the Crowley Lake exchange and one square mile of unfiled territory, as shown in Exhibits D, F, and G attached to the application; (2) construction of a new Pine Creek Central Office at Rovana (estimated costs shown in Exhibit L attached to the application); (3) relocation of the Pine Creek toll rate center and Base Rate Area to Rovana, as shown in Exhibits C and E attached to the application; (4) establishment of extended area service between the Bishop and Pine Creek exchanges (Exhibit H attached to the application); and (5) establishment of Bishop rates for subscribers to Pine Creek exchange service (Exhibit I 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 November 6, 1965, which is the first official Bell System cutover

date after the time necessary to receive, install and test the central office equipment.

Purpose of the Proposal

The purpose of this application is to provide higher grades of service at lower charges to certain subscribers in applicant's Pine Creek, Bishop, and Crowley Lake exchanges. The enlargement of the Pine Creek exchange, combined with extended area calling, will result in decreased charges for all but one subscriber. The one subscriber, Union Carbide Corporation, by letter addressed to this Commission and dated August 31, 1965, states that it does not oppose the application.

Billing and Service Effects

The proposal would result in a yearly reduction of \$2,521.25 for 176 subscribers. One subscriber, Union Carbide Corporation, would have a yearly increase of \$2,882.66, but the major portion of this increase is due to the provision of PBX service in lieu of the services furnished formerly. Some billing effects of the proposal will result from toll rate changes because of the relocation of the toll rate center for the Pine Creek exchange. For most routes, no change occurs. Some routes involve increases

and decreases of 5 cents for the initial period charge. Examples of initial period rates to sample points are tabulated below:

To	From		
	Bishop Rate Center	Present Pine Creek Rate Center	Proposed Pine Creek Rate Center
Bakersfield, Calif.	\$0.95	\$0.95	\$0.95
Benton Station, Calif.	.40	.40	.35
Big Pine, Calif.	.25	.35	.35
Bridgeport, Calif.	.70	.70	.65
Coleville, Calif.	.85	.85	.80
Crowley Lake, Calif.	.35	.25	.25
Fresno, Calif.	.80	.70	.75
Glendale, Calif.	1.05	1.05	1.10
Independence, Calif.	.50	.55	.60
Lone Pine, Calif.	.60	.65	.65
Long Beach, Calif.	1.10	1.10	1.15
New York, New York	2.00	2.00	2.00
Phoenix, Arizona	1.20	1.20	1.20
Pittsburg, Calif.	1.05	1.00	1.00
Redondo Beach, Calif.	1.10	1.10	1.10
Reno, Nevada	.70	.70	.70
Salt Lake City, Utah	1.15	1.20	1.15
San Bernardino, Calif.	1.10	1.10	1.10
San Francisco, Calif.	1.10	1.05	1.05
Tuxedo, New York	2.00	2.00	2.00
Pittsburg, Pa.	1.90	1.90	1.90

The relocating of the toll rate center for the Pine Creek exchange is estimated to result in an annual \$23.14 increase in total toll billings to all affected subscribers. This increase will be more than offset by the savings resulting from the extended area treatment and elimination of mileage charges. A detailed breakdown of billing effects is presented in Exhibit K attached to the application.

Proposed Exchange Rates

The proposal would increase the Pine Creek exchange rates to the level of rates paid in the Bishop exchange. This would affect Union Carbide Corporation only, as the other 176 subscribers are presently within the Bishop exchange and are now paying these rates.

Examples of present and proposed rates are tabulated below:

	<u>Present Pine Creek Rates</u>	<u>Proposed Pine Creek Rates (Bishop Rate Level)</u>
<u>Basic Local and Foreign Exchange Service</u>		
<u>Primary Station Rates</u>		
Business	\$8.45	\$10.35
Individual	7.05	8.85
2-Party Line		
Residence		
Individual Line	5.25	5.75
2-Party	4.25	4.75
4-Party	3.50	4.00*
<u>Suburban Rates</u>		
Business		
0-4-1/2	5.90	6.60
4-1/2-14-1/2 Miles	6.65	7.30
14-1/2-24-1/2 Miles	7.35	8.00
Residence		
0-4-1/2 Miles	3.50	4.00
4-1/2-14-1/2 Miles	4.50	5.00
14-1/2-24-1/2 Miles	4.50	5.00

* Residence 4-party service to be provided only within the suburban area and with applicable mileage charges.

Plant Effects

Under this proposal a new central office will be constructed at Rovana. The cost of the office and accompanying facilities will amount to \$216,824, as shown in Exhibit L attached to the application. The prefix for telephone numbers served from the proposed central office will be EVeready 7-xxxx. Listings for Pine Creek subscribers will be combined alphabetically in the same list with those of Bishop subscribers in the Bishop section of the directory and listed separately in a Pine Creek section of the directory.

Findings and Conclusions

The Commission has given consideration to this matter and finds that a public hearing is not necessary; that the expansion of the Pine Creek exchange as set forth in the application, including establishment of extended area service between the Bishop and Pine Creek exchanges, construction of a new Pine Creek Central Office at Rovana and the relocation of the Pine Creek Base Rate Area and Toll Rate Center are in the public interest; that the increases and decreases in toll charges resulting from the relocation of the toll rate center and the increase in exchange rates are justified; and that the resulting toll and exchange charges authorized herein are reasonable.

We conclude that applicant's request should be granted.

IT IS ORDERED that:

1. California Interstate Telephone Company is authorized to expand the Pine Creek exchange as shown in Exhibit D attached to the application and to relocate the Pine creek toll rate center and base rate area as shown in Exhibits C and E attached to the application.
2. Applicant is authorized to provide extended area service between the Bishop and Pine Creek exchanges.
3. Applicant is authorized to construct a new central office at Rovana.
4. Applicant shall file with this Commission after the effective date of this order revised maps as shown in Exhibits D, E, F and G attached to the application, in conformity with the provisions of General Order No. 96-A.
5. Applicant is authorized to file with this Commission, after the effective date of this order, revised tariff sheets establishing the rates shown in Exhibit I attached to the application, in conformity with the provisions of General Order No. 96-A, and, on not

less than five days' notice to the Commission and to the public, to make said rates effective.

5. The authorization granted herein will expire unless exercised on or before November 1, 1966.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 2nd day of NOVEMBER, 1965.

Frederick B. Hallock
President

George H. Hoover

Augustus

William M. Bernard
Commissioners

*I concur and
will file separate
commentary.
C. E. Mitchell*

COMMISSIONER PETER E. MITCHELL CONCURRING:

I concur in this order. Its best recommendation is the upgrading in service to subscribers.

However, the decision neglects to indicate that: (1) this proposal is primarily for the benefit of Union Carbide Corporation, and (2) any benefit which resounds from establishment of extended area service between Bishop and Pine Creek exchanges will be far in the future.

It is of further interest to note that the Commission is completely abandoning, in this instance, any reliance on a cost of service approach, rate of return study, dollar deficiency in earnings standard -- all of which have heretofore been advanced within the Commission. The net increase in plant investment required by this application will be at least \$216,824 a year with a net revenue increase of \$361 per year.


Peter E. Mitchell, Commissioner