

Decision No. 70694**ORIGINAL**

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 Lenwood Exchange Area, Base Rate Area, Central Office, and Toll Rate Center in a portion of the Barstow Exchange, and to continue in effect in said proposed exchange area those exchange rates that are presently applicable to the Barstow Exchange; to establish extended area calling between said proposed exchange area and the Barstow Exchange Area; to expand the Barstow Base Rate Area; and to realign the common boundary between the Barstow Exchange and the Newberry Exchange.

APPLICATION NO. 48256
(Filed February 15, 1966)

OPINION AND ORDER

California Interstate Telephone Company (hereafter referred to as "applicant") requests this Commission to authorize:

- (1) Establishment of the Lenwood Exchange (from a part of the Barstow Exchange), Lenwood Base Rate Area, Lenwood Central Office and Lenwood Toll Rate Center, with boundaries and locations as shown in Exhibits C, D and E, attached to the application.
- (2) Expansion of the Barstow Base Rate Area to the boundaries shown in Exhibit F attached to the application.
- (3) Extended calling between the Barstow and Lenwood Exchanges.
- (4) Filing and making effective new and revised maps as shown in Exhibits D, E, F, G and H, attached to the application.
- (5) Establishment of Lenwood exchange rates identical to Barstow exchange rates.
- (6) Continued physical service to Hinkley area subscribers from the Barstow Exchange until November 1, 1966, at Lenwood Exchange rates.

Applicant requests ex parte disposition in order that the proposed changes may be made effective June 19, 1966, the proposed cutover date for the Lenwood Central Office.

Purpose of the Proposal

The application, if granted, would improve the quality of service and provide independent identity for Lenwood subscribers as desired by the community. Individual line and 2-party service would be provided to 626 customers within the proposed Lenwood Base Rate Area (approximately 2.25 square miles) which now has predominantly 8-party service.

The application, if granted, also provides for the growth in the area through the construction of a Lenwood Central Office and by enlargement of the Barstow Base Rate Area.

The proposed changes would eliminate the need for foreign exchange service for 13 Newberry Exchange subscribers by transferring to the Barstow Exchange the area in which they are located.

Characteristics of the Area

Lenwood is approximately 5 miles southwest of Barstow. It has its own shopping area and services, centered around old U.S. Highway 66. The proposed Lenwood Exchange to be established out of part of the present Barstow Exchange area, includes 931 subscribers in an area of approximately 210 square miles.

Exchange Rates

Applicant requests that rates presently in effect in the Barstow Exchange be authorized for the Lenwood Exchange. Only 1- and 2-party service are to be offered in the Lenwood Base Rate Area.

The following are the proposed Lenwood exchange rates:

<u>Class and Grade of Service</u>	<u>Basic Monthly Exchange Rate</u>
Business	
1 PTY	\$10.35
2 PTY	8.85
Residence	
1 PTY	6.10
2 PTY	5.00

Toll Rates

The new toll rate center for the Lenwood Exchange will be in the same block and section of the nation-wide toll zoning as the Barstow toll rate center. Therefore all toll rates will remain the same, except on calls to Victorville. Toll calls to Victorville now at 35 cents for the first three minutes will be reduced to 30 cents for the same period.

Subscriber Effects

Lenwood Exchange

Within the proposed Lenwood Base Rate Area all subscribers were contacted by the company and no objections were encountered. In the Lenwood Base Rate Area 104 subscribers will have a reduction due to the elimination of mileage charges. A total of 522 suburban subscribers within the proposed base rate area will have increases of 75 cents (residence) or \$1.50 (business) per month when upgraded from 8-party suburban to 2-party service. An additional 128 customers within the Lenwood Exchange will benefit from reduction in mileage charges.

Barstow Exchange

As a result of the proposed enlargement of the base rate area by approximately 3.9 square miles, 20 subscribers will have a reduction in mileage charges and 27 will have the mileage charges eliminated. Thirty-two subscribers will be upgraded from 8-party to 4-party service at no additional charge. One business subscriber

will have a \$3.00 increase if he upgrades from 8-party to 1-party service (\$1.50 if he upgrades to 2-party service). Thirteen subscribers transferred from the Newberry Exchange will benefit from elimination of foreign exchange mileage charges.

Ex Parte Disposition

Applicant, to facilitate possible ex parte treatment, took the following steps:

1.) On February 11 and 28, 1966 applicant sent a letter to all subscribers in the proposed Lenwood Exchange informing them of this proposal.

2.) On March 8, 1966 applicant sent a second letter to all subscribers within the Lenwood area reminding them of the proposal. The letter stated that applicant requested authorization "without public hearing."

3.) After both letters had been sent, company employees contacted all subscribers, with the exception of about 20 who were not found to be home even on repeated attempts.

4.) The customers not met in person, approximately 20, were sent a third letter dated March 25, 1966. This letter again referred to the application and requested that the subscribers designate whether they desired 1- or 2-party service.

No objection had been received up to March 29, 1966. Copies of company letters are included in Exhibit 1.

Commission Staff Investigation

The Commission staff made a field investigation on March 17 and 18, 1966. Results of this investigation are set forth in a report, received as Exhibit 1, wherein it is recommended that the application be granted.

Findings and Conclusion

The Commission finds that a public hearing is not necessary; that establishment of the Lenwood Exchange, Base Rate

Area and Toll Rate Center, enlargement of the Barstow Base Rate Area and transfer of territory from the Newberry Exchange to the Barstow Exchange as described in the application are in the public interest; and that the proposed exchange and resulting toll rates are reasonable. The Commission concludes that the application should be granted to the extent provided in the following order.

IT IS ORDERED that:

1. California Interstate Telephone Company (applicant) is authorized to establish the Lenwood Exchange, Base Rate Area, Central Office and Toll Rate Center by June 19, 1966 as described in the application.
2. Applicant is authorized to expand the Barstow Base Rate Area as proposed in the application.
3. Applicant is authorized to provide extended calling between its Barstow and Lenwood Exchanges.
4. Applicant is authorized to file with this Commission, after the effective date of this order and in conformity with General Order No. 96-A, new and revised maps as shown in Exhibits D, E, F, G and H, attached to the application.
5. Applicant is authorized to establish and to file in conformity with General Order No. 96-A exchange rates for the Lenwood Exchange identical to the Barstow exchange rates.
6. Applicant is authorized to continue physical service of Hinkley area subscribers from the Barstow Exchange until November 1, 1966, at Lenwood rates.

7. The authorization granted herein will expire unless exercised on or before December 1, 1966.

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

Dated at San Francisco, California, this 17th day of MAY, 1966.

Frederick W. Holdcroft
President

George L. Brown
Commissioners