SW/NB

ORIGINAL

Decision No. 70708

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Yeakel Plymouth Center, Complainant, vs. General Telephone Company, a corporation, Defendant.	Case No. 8322 (Filed December 30, 1965) (Answered January 25, 1966)

Douglas Wade Lutz and Louis J. Baney, for complainant.
A. M. Hart and Donald J. Duckett, by Donald J. Duckett, for defendant.

OPINION

Yeakel Plymouth Center of Downey, a large new and used car dealer, seeks refund of monthly service rate difference, including tax, between its original service in 1960 and the telephone service now in use and all installation costs, old and new. Also sought are reimbursement of $1,125 for the telephone number charge of L. C. Sater in exchange for four rotary lines effective December 16, 1965; interest earned on funds; telephone consulting fees and costs of this complaint.

General Telephone Company[1/] seeks dismissal alleging that the complaint fails to state a cause of action within the jurisdiction of the Commission, and otherwise answers the complaint as later shown on the record.

[1/] Correctly, General Telephone Company of California.

Public hearings were held before Examiner Warner on March 8 and 17, 1966, at Downey.

The record shows that in the year 1960 complainant was operating a "store" in Compton, but upon appraising the rapid growth of Orange County as a sales area, made plans to move its new car store to the corner of Lakewood Boulevard and Gallatin Road, with the "world's longest used car lot" at Stonewood and Lakewood.

When Yeakel announced its plans, defendant sent its sales manager and engineering sales manager for conferences with the late Bob Yeakel, complainant's president, and Louis Baney, its general manager,2/ to determine Yeakel's telephone needs. Yeakel requested red, white and blue telephones, two telephones on each salesman's desk, a system for handling an anticipated flood of incoming calls when Yeakel embarked on a planned extensive television advertising program, trunk lines to the Los Angeles area and to Orange County, and a private line to his home on Lido Isle, about 35 miles distant. Yeakel told defendant's representatives that he was selling in Compton, and planned to continue to sell in Downey, 300 to 400 cars per month and would have 30 to 35 salesmen on the lots at all times.

Based on the information received from Yeakel, defendant, in August 1960, installed two switchboards, 65 trunk lines, 82 telephones, 15 selector switches, and 10 connector switches; the latter two items comprising a call box system. The switchboard

---

2/ Baney left Yeakel to operate his own dealerships on January 10, 1966.

installation charges were $3,982 for which parties entered into the termination contract, Exhibit 7, which, among other things, provided that should complainant request removal of any of the installed equipment it would be required to pay defendant an amount equal to the costs of the equipment and installation, less the cost of the recoverable equipment, plus the estimated cost of removal; this amount to decrease by 1/60th for each full month service was retained by complainant. The contract terms and costs were discussed with and explained to Yeakel prior to execution of the agreement.

The first month's service cost was $4,965.85; the total of the first eight months of monthly service costs was $19,607.85. Said costs did not include message unit or toll charges, but applied only to the switchboards, trunk lines, telephones, and selector and connector switches.

Complainant's general manager testified that he was shocked on receipt of the first month's bill since he had expected it to be about $2,200 to $2,500 a month based on the telephone bill at the Compton store.

Bob Yeakel was killed in a private plane crash in Torrance on November 3, 1960.

At the end of the first four months of operations, the Stonewood lot was abandoned and economies of operation were instituted including the reduction of telephone equipment to two switchboards, 24 trunk lines, 30 telephones, and the 15 selector and 10 connector switches. Total service costs during the second eight months were reduced to $8,610.75, or about $1,100 a month, and this service continued to January, 1966, except that four Walnut trunk lines were removed, thus reducing monthly charges to $942.50 per month after September, 1965.

Subsequent to the filing of the complaint, and after the expiration of the termination contract, the two automatic switchboards were replaced with one manual board; the number of telephones was reduced to 28; the number of trunk lines was reduced to 14; and the call boxes were eliminated, thus reducing monthly service charges to their present amount of $145.30.

The record shows that at no time did complainant request defendant to make a traffic study or otherwise analyze complainant's telephone needs, nor did defendant offer to or make any such study or analysis.

Complainant alleged violation of a verbal assurance by defendant that, when the four Walnut trunk lines were temporarily removed in January, 1965, on a trial basis, defendant would hold the specific telephone numbers for complainant's future use and when, one year later, complainant requested the specific numbers again, they had been assigned to L. C. Sater, who required complainant to pay him $1,250.

Complainant says that its presently installed telephone equipment is meeting its telephone requirements. A second switchboard position was never used, nor was the call box.

Based on the record, we find as follows:

1. Complainant is a very large new and used car dealer in Downey.

2. Defendant is a public utility telephone corporation.

3. a. In August, 1960, complainant moved from Compton to Downey, and Bob Yeakel, its president, planned extensive sales operations.

b. When complainant moved from Compton to Downey, Bob Yeakel requested telephone services and outlined telephone service needs resulting in an elaborate telephone service installation. The installation charges for switchboards were $3,982, and the monthly service costs totalled $19,608 during the first eight months.

c. Bob Yeakel was killed in November, 1960.

4. a. Following its president's death, complainant's general manager commenced effecting extensive economies, including reduction of telephone service expenses.

b. In May, 1961, monthly service charges had been reduced to about $1,100 by the removal of 31 trunk lines and 52 telephones, and by December, 1965, to $942.50 per month by the removal of four additional trunk lines.

c. In January, 1966, the two manual switchboards, one of which had never been used, were replaced with an automatic switchboard, the number of trunk lines was reduced from 20 to 14, the number of telephones was reduced from 30 to 28, and the call box system was eliminated, thus reducing monthly service charges to $145.30.

d. The present telephone service equipment is adequate.

5. a. Complainant's original telephone installation was based on its requested and announced and estimated telephone needs which never materialized, but through no fault of defendant.

b. Defendant violated no provision of its tariffs.

c. Better business practice might have warranted defendant's reviewing complainant's account more closely, especially upon the receipt of requests for radical reductions in telephone service after the first few months of complainant's operations subsequent to August, 1960.

6. a. Defendant's verbal assurance to complainant that the four Walnut numbers would be retained was based on a usual accommodation covering only a six months period, and defendant's tariffs provide for no requirement or reimbursement such as sought by complainant.

b. Better business practice would have warranted that defendant give fuller explanation of the conditions and length of time that removed telephone numbers would have been retained for complainant's future use. There is no good explanation on the record why there was any misunderstanding on this issue.

7. There is no basis for ordering the reimbursement of telephone consulting fees or costs to complainant of this proceeding.

We conclude that the ultimate responsibility for telephone service requested by complainant was and is with it and that, since defendant in no way violated its tariffs, the complaint should be dismissed.

O R D E R

IT IS ORDERED that this complaint is dismissed.

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 B. Holoboff
President

Peter E. Mitchell

George G. Grover

A. W. Gatov

William M. Bennett
Commissioners