

ORIGINAL

Decision No. 74658

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 a new exchange area to
be known as the Olancha Exchange; to
establish a new base rate area, toll
rate point, central office and rates
for said proposed exchange; and to
provide extended area calling between
said proposed Olancha Exchange and the
proposed revised Lone Pine Exchange.

Application No. 50257
(Filed May 21, 1968)

OPINION AND ORDER

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

1. Establishment of the Olancha Exchange from a part of the Lone Pine Exchange and by addition of approximately 27 square miles of unfiled territory to south of and immediately adjacent with existing Lone Pine Exchange boundary and including the locality of Sage Flat, as shown in Exhibit C attached to the application.
2. Establishment of Olancha Base Rate Area, as shown in Exhibit E attached to the application.
3. Establishment of the Olancha Toll Rate Point, as shown in Exhibit G attached to the application.
4. Construction of a new Olancha Central Office and Toll Rate Point at estimated costs as shown in Exhibit I attached to the application. The description of central office and its location is contained in application, Sections IV and V, page 2 and on Exhibit E attached to the application.
5. Establishment of Olancha exchange rates as indicated in Exhibit J, attached to the application.
6. Provision of extended calling between the Olancha exchange and the revised Lone Pine exchange, increasing the free calling area by including heretofore unfiled territory as shown on Exhibit F attached to application.
7. Filing and making effective new and revised maps, as shown on Exhibits C, D and E attached to the application.

Applicant requests ex parte disposition of this matter in order to permit final planning and construction of a central office with a cutover date of about December 1, 1968.

Purpose of the Proposal

Applicant proposes to separate a portion of the Lone Pine exchange, which is naturally divided by geographical conditions, and create a new Olancho exchange. In addition, approximately 27 square miles of unfiled territory, now served by only one toll telephone, will be included in the Olancho exchange. The reason for establishing the new exchange is one of economics; the cost of building a central office is estimated to be less than the cost of construction of a cable lead to service individual subscribers. The central office will also improve message toll and coin-box services to tourists in the area.

Characteristics of the Area

Owens Lake lies between Lone Pine and Olancho and creates a natural obstacle for construction of telephone lines between the two communities. The lake shore is about 20 miles in length as measured along Highway 395 which runs along the western side of the lake. The present telephone line parallels the highway. Individual line service to customers in the Olancho area from the existing Lone Pine exchange is obviously very expensive. Use of existing facilities for toll purposes with new local facilities at Olancho should prove advantageous.

Small developments as are concentrated at Cartago, Olancho, and the snow-pack region serve the normal, small supply needs for persons in the Olancho area. However, for major emergency services, as police, medical and hospital, and for larger supply needs available at Lone Pine, reliable telephone service is essential.

The Haiwee Reservoir system is located in the eastern portion of the Olancho area and if opened for recreational purposes and use, may provide for increased telephone usage.

Exchange Rates

The following is a table showing the present and proposed Olancha exchange rates.

Comparison of Present and Proposed
Rates for Olancha Exchange

Service	Present Rates		Proposed Rates	
	Business	Residence	Business	Residence
Individual Line Service	\$8.45	\$5.25	\$8.45	\$5.25
Two-Party Line Service	7.05	4.25	-	4.25*
Four-Party Line Service	-	3.50	-	3.50**
Suburban Service				
0 - 4 $\frac{1}{2}$ -mile zone	5.90	3.50	5.90	3.50
4 $\frac{1}{2}$ - 14 $\frac{1}{2}$ -mile zone	6.65	4.50	6.65	4.50
14 $\frac{1}{2}$ - 24 $\frac{1}{2}$ -mile zone	7.35	4.50	-	-
24 $\frac{1}{2}$ - 35 - mile zone	8.60	4.50	-	-

* Not available outside the base rate area.

** Not available within the base rate area.

Toll Rates

The new toll rate center for the Olancho exchange will result in small decreases on some calls to the south and slight increases on some calls to the north. A sample of typical toll charges for frequently called points with comparison to present toll charges from Lone Pine exchange is as follows:

Comparison to Changes in Toll Charges to Most Frequently
Called Points from Proposed Olancho Exchange

To	Minimum Day Station Rate:		Olancho Cost	
	From		Compared to	
	Olancho	Lone Pine	Lone Pine Cost	
			Increase	Decrease
Bishop	\$0.75	\$0.65	\$0.10	-
San Fernando	.90	.95	-	\$0.05
Los Angeles	.95	1.00	-	.05
Big Pine	.65	.55	.10	-
Lancaster	.80	.85	-	.05
Newhall	.90	.95	-	.05
Ridgecrest	.55	.75	-	.20
Pasadena	.90	.95	-	.05
Victorville	.85	.95	-	.10
Santa Barbara	.95	1.00	-	.05
Inyokern	.55	.65	-	.10
Barstow	.85	.90	-	.05
Shoshone	.80	.85	-	.05
El Monte	.95	.95	0	0
Sacramento	1.15	1.10	.05	-

Customer Effects

Customers will receive improved service with rates the same as now in effect for the existing Lone Pine Exchange. In the new Olancha base rate area, 8 suburban business customers will be upgraded to individual line service at an increase of \$105.60 annually, 16 suburban residence customers will be upgraded at a decrease in annual charges of \$48. Outside the base rate area, 7 business suburban customers will have a reduction in charges of \$121.80 annually, and 28 suburban residence customers will receive reductions of \$336 annually. One suburban business and one suburban residence customer will not be affected by changes in rates and charges. The net effect will be an estimated annual savings of \$400 in exchange charges to customers in the Olancha exchange.

The applicant conducted an 11-day toll study for the period November 15 to 25, 1967, in the Olancha exchange area. The study indicated that toll charges for Olancha exchange customers will increase \$43 annually if this new exchange is authorized.

Coin operated toll stations will operate on an individual line basis as is usual in most areas and not on a party line system as presently available. This will decrease customer dissatisfaction considerably.

Ex Parte Disposition

Applicant, to facilitate possible ex parte treatment, on June 26, 1968 sent a letter to 58 customers in the Olancha exchange area, informing them of this proposal, giving a comparison of charges to most frequently called points from the Olancha exchange and from Lone Pine exchange, as set forth in Exhibit H attached to application. No reply to this letter was received from any customer. The letter stated that applicant was requesting authorization from this Commission without public hearing.

Commission Staff Investigation

A Commission staff engineer made a field investigation on July 1 and 2, 1966 and has conferred on various other occasions with representatives of the applicant. The report of this field investigation was received in evidence as Exhibit 1 filed on August 15, 1968. In said report the staff recommends that the application be granted.

Findings

The Commission finds that a public hearing is not necessary; that establishment of the Olancho exchange, base rate area, toll rate point, provision of extended calling between Olancho and Lone Pine exchanges and construction of central office, all as described in the application, are in the public interest; and that the proposed exchange and resulting toll rates are reasonable. Therefore, the Commission concludes that the application should be granted as provided in the following order.

IT IS ORDERED that:

1. Applicant is authorized to establish the Olancho exchange, the Olancho base rate area, the Olancho toll rate center, and to expand the area to include 27 miles of unfiled territory, as described in the application.
2. Applicant is authorized to construct a new central office at Olancho.
3. Applicant is authorized to provide extended calling between its Olancho and Lone Pine exchanges.
4. Applicant is authorized to file with this Commission, after effective date of this order and in conformity with General Order No. 96-A Exchange Rates and Toll Rates as included in the application in Exhibits H and J, and on not less than five days' notice to the Commission and the public to make said rates effective.

5. 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 C, D, and E attached to the application.

6. Applicant is hereby directed to provide supplementary directory information coincident with the establishment of the Olancho central office and Olancho exchange to all customers in the revised Lone Pine exchange and the new Olancho exchange.

7. The authorization granted herein will expire unless exercised on or before December 31, 1969.

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

Dated at San Francisco, California, this
11th day of SEPTEMBER, 1968.

William Symons, Jr.
 President
W. E. K. K. K.
William W. Bennett
Augusta
Ed P. Monussey
 Commissioners