

ORIGINALDecision No. 74700

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

LAKE COUNTY CONTRACTORS' EXCHANGE,

Complainant,

Case No. 8622

vs.

PACIFIC TELEPHONE COMPANY,

Defendant.

ORDER DENYING REHEARING

Petition for rehearing of Decision No. 74431 having been filed by Pacific Telephone and Telegraph Company, the Commission having considered each and every allegation therein, and being of the opinion that no good cause for rehearing is set forth therein;

IT IS ORDERED that rehearing is hereby denied.

Dated at San Francisco, California, this 17th day of SEPTEMBER, 1968.

I will file a dissent
Robert E. Mitchell

William Lyons, Jr.
 President
William C. Burkhead

David A. [unclear]
John P. [unclear]
 Commissioners

COMMISSIONER PETER E. MITCHELL DISSENTING:

I would grant rehearing.

What originated as a telephone service complaint in Lake County has terminated in an order of the Commission requiring the Pacific Telephone and Telegraph Company to provide optional extended telephone service to its subscribers in the six Clear Lake exchanges to and from any or all of the six exchanges. The order is not responsive to the genesis of the complaint which arose from the utilization of manual equipment. It does not even resemble the Company and Commission staff proposal, which was the only study presented to the subscribers and to the Commission during the four days of hearing.

As Decision No. 74431, dated July 23, 1968^{1/} states, the first meeting of the complainant was a regular village exchange meeting wherein the complainant talked of possibly securing better telephone service for Lake County. The decision goes on to quote the complainant as follows: "And predominantly at this time the complaints were of the operator service in long delays of getting calls through or reaching an operator or of never reaching an operator at all. And at this time it was mostly secondary, the idea of the amount of the toll. Primarily, all of the complaints were based on service".

After meetings with representatives of the Company and the Commission, the complainant thereafter, on April 24, 1967, filed Case No. 8622 requesting the establishment of toll-free dialing in the Clear Lake area. The telephone company thereupon prepared a contiguous rate plan (recommended by the Commission staff) for presentation

^{1/} Commissioner Peter E. Mitchell present but not participating.

at the hearing. This plan was explained and discussed by the Company at twenty-one community group meetings attended by over 700 subscribers between October 24, 1967, and December 21, 1967^{2/}. Notice of the Commission's January hearings was given at these meetings as well as information as to the intent of the Company to recommend its extended area service plan.

There were 9 additional public witnesses who appeared at the Commission proceedings on January 10 and 11, 1968. Eight of the 9 public witnesses endorsed the Company-staff plan. The ninth witness wanted extended area calling to all six exchanges. The Lake County Board of Supervisors and the City of Lakeport supported the Company-staff plan.

There was no sponsorship or claim entered for adoption of an optional extended area service plan by any party. It follows that there is no study of cost and rates of optional extended area service in the record. This is not to say that the Commission could not or should not consider a service other than supported by the Company or the staff. But the record does show that the complainant, the public witnesses, the Company, the Commission staff, the subscribers in the Clear Lake area - the parties involved - did not have the opportunity to consider costs and rates of optional service. Neither the direct testimony of the public witnesses nor that of the complainant mentioned optional service or any desire or need for such service. No cost study or other exhibit was introduced in regard to such optional service. The record substantiates only the Company-staff plan.

^{2/} Exhibits 11 and 12

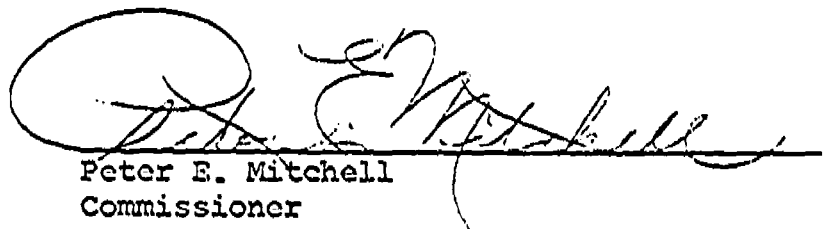
By this decision, the Commission has now ordered optional extended area service in the Clear Lake exchanges to and from any or all of the six exchanges. Is the order responsive to the needs of the subscribers?

The record shows that at the present time, Lake County and its residents are encountering economic vicissitudes. The cost of utility service is of paramount importance to them. The evolution of the complaint in Case No. 8622 strongly suggests that much of the dissatisfaction of the subscribers emanates from the manual toll board in Lakeport, which is the medium for calls between exchanges in the Clear Lake area (although calls within each exchange are made on a dial basis). Perhaps a concerted effort by all concerned to upgrade the quality of manual service would be a partial answer, particularly in light of economic conditions.

Notwithstanding the economic impact, it is apparent that the overwhelming sentiment is for the Commission approval of the Company-staff plan, which was fully reviewed by subscribers. Thus, if the Commission had acted favorably on the seven-route proposal of Pacific, it would have been wholly in accord with the evidence.

The Commission's order (Conclusion No. 4, Page 7) states that the rates for optional service should be instituted at a level that users of such service pay all costs of providing the service. It should be noted that all of the routes in the optional service are short-haul toll routes (10¢, 15¢, and 20¢) which service is furnished at less than cost with the difference made up elsewhere in the State on long-haul calls. As a result, if the Company complies with this admonition, the potential subscribers to optional service would be

required to pay more than they are now paying for their toll calls on the average! Certainly the Company and the public should have a cost and rate study of optional service available for their consideration. Other California subscribers should not be required to subsidize charges resulting from the adoption of optional service in the Clear Lake area, which they may have to do under this decision.



Peter E. Mitchell
Commissioner

San Francisco, California

September 19, 1968