

Decision No. 74780

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of GOLDEN WEST TELEPHONE COMPANY, a California corporation, for authority to cancel and withdraw toll station service in the New Thorn and Shelter Cove Toll Station Service Areas, to substitute therefor exchange and toll telephone service from an exchange to be known as Whitethorn, and to provide extended service from Whitethorn to the Garberville exchange.)

Application No. 50230
(Filed May 10, 1968)

OPINION AND ORDER

Golden West Telephone Company (hereafter referred to as applicant) requests this Commission to authorize establishment of the Whitethorn exchange and base rate area, Humboldt and Mendocino Counties, from approximately 135 square miles of unfiled territory, as shown in Exhibit B, Sheet 2, attached to the application, with exchange rates as shown in Exhibit C attached to the application and a toll rate center as shown in Exhibit B, Sheet 1, attached to the application, with coordinates V-8022 and H-9026 as set forth in Paragraph IV of the application. Applicant proposes to establish extended calling between the Whitethorn and Garberville exchanges and to withdraw toll station service from New Thorn and Shelter Cove toll station service areas coincident with the establishment of Whitethorn exchange within fifteen months from the date authorization is granted. Applicant requests that such authorization be granted ex parte.

Applicant is a California corporation which operates toll and exchange telephone systems in portions of Humboldt and Mendocino Counties and elsewhere in California.

Characteristics of the Area

Whitethorn is an area of wooded rolling hills, with sheep grazing, small logging operations and other small farming operations as well as recreation in the form of hunting and fishing. The proposed exchange area includes the communities of Shelter Cove and Ettersburg which are sparsely settled areas. The Ettersburg area is mountainous in character suited primarily to sheep grazing and hunting. Shelter Cove is a second home subdivision resort area by the ocean. The community of Whitethorn provides some emergency shopping for the area; it has a post office, a fire station, various small business establishments and a sawmill which provides employment to about 20 people. Economic activity of these communities centers in the community of Garberville, approximately 18 road miles east of Whitethorn. The proposed exchange would include approximately 135 square miles.

Applicant's Showing

Applicant alleges that the costs of rendering exchange service to this area are less than for rendering toll station service, that the exchange and message toll telephone service as proposed will best enable it to meet the present and future demands for telephone service to the area involved and will be in the best public interests.

The following are the present toll station rates and proposed exchange rates for the Whitethorn exchange area:

Present Rates for Toll Station Service

Each Semi-Public Toll Station	\$5.50 per month, minimum from intra- company messages
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Proposed Rates for Exchange Service

<u>Class and Grade of Service</u>	<u>Basic Monthly Exchange Rates</u>
Business	
1-Party	\$ 7.25
Suburban (5-Party)	5.50
Trunk Line	10.75
Semi-Public Coin Box	.24*
Residence	
1-Party	\$ 5.50
Suburban (5-Party)	4.50

* Daily Guarantee

The toll rate center for the Whitethorn exchange would be the same as the rate center of the existing New Thorn toll station service area with coordinates V-8022 and H-9026, as listed in applicable toll tariff schedules.

The foregoing exchange rates provide for toll free calling within the proposed Whitethorn exchange and extended toll free calling to Garberville. The preponderance of calling (based on a study conducted by the applicant) from this area is to Garberville. Presently, a call from the New Thorn toll station service area to Garberville is rated at \$.15 for the initial three minutes day station rate. Customers will also receive higher grades of service (1-party within the Whitethorn base rate area and 5-party in the suburban area), as a part of the company's proposed changes. Applicant estimates that the proposed changes in exchange and toll rates will result in a decrease in customer billing of \$1,734.20 annually based on a March, 1968, study.

Applicant contacted and outlined its plans to as many of the present and potential customers as was reasonably possible, giving detailed information concerning the proposed exchange service (Exhibit D attached to the application). In return applicant indicates that it received 56 signed forms (representing 92% of the persons contacted), from present and potential customers indicating their interest in the proposed service. The Commission has received no objections to applicant's proposal.

Commission Staff Investigation

The Commission staff made a field investigation on August 1 and 2, 1968, and has conferred on various occasions with representatives of the applicant. The report of this investigation is hereby received in evidence as Exhibit No. 1. The staff recommends that the application be granted ex parte, without a hearing, except that the Whitethorn base rate area should be reduced in size from approximately 11 square miles to about 7 square miles as set forth in a revised map attached to the staff report (Exhibit No. 1). Applicant, by letter dated August 22, 1968, indicates that it is agreeable to the base rate area boundary as proposed by the staff.

Prior Proceedings

By Application No. 47685 filed June 21, 1965, applicant's predecessor, The Western Telephone Company, sought to establish exchange telephone service to the area from Central Office facilities to be located at Shelter Cove and without toll free calling to Garberville. Application No. 47685 was disputed by Petrolia Telephone Company who sought to expand its Petrolia exchange to serve the area of Shelter Cove. The Commission action

included Decision No. 70490, Case No. 8217, Case No. 8222, Decision No. 70348, and public hearings on November 15, 16 and 17, 1965, and December 6, 7, 21 and 22, 1965, which led to Decision No. 71348, dated October 4, 1966, wherein the Commission adopted the examiner's findings that ... "there is no need for exchange telephone service in the Shelter Cove area." Since the Commission's Decision No. 71348, October 4, 1966, there has been little growth in the number of customers or potential customers at Shelter Cove. However, Whitethorn has shown a slow but steady growth and applicant's proposal appears reasonable on the basis of present development.

Citizens Utilities Company of California, successor to Petrolia Telephone Company and the operator of the Petrolia exchange, indicated to the Commission by letter dated June 10, 1968, that it did not propose to file any objection to the application of Golden West Telephone Company for service to the area in question.

Findings and Conclusions

The Commission finds that:

1. A public hearing on this matter is not necessary.
2. The establishment of the Whitethorn exchange is in the public interest.
3. The Whitethorn base rate area, as recommended by the staff (approximately 7 square miles), is adequate for the community development at Whitethorn.
4. Shelter Cove and Ettersburg at present are clearly suburban areas with low density of establishment.
5. The establishment of a toll rate center at Whitethorn and the provision of extended calling between the Whitethorn and Garberville exchanges, as described in the application, are in the public interest.

6. The herein authorized exchange and resulting toll rates are just and reasonable and present rates insofar as they differ from those herein prescribed, upon the establishment of the Whitethorn exchange, will for the future be unjust and unreasonable.
7. There is no apparent opposition to the proposed Whitethorn exchange establishment from any customer, potential customer or adjacent utility.

O R D E R

IT IS ORDERED that:

1. Applicant is authorized to establish the Whitethorn exchange, with a boundary as set forth in Exhibit B to the application, and the Whitethorn base rate area, with a boundary as set forth in Appendix "A" to this decision.
2. Applicant is authorized to establish the Whitethorn toll rate center with V and H coordinates as follows: V-8022 and H-9026.
3. Applicant is authorized to provide toll free extended calling between the proposed Whitethorn exchange and its Garberville exchange.
4. Applicant is authorized to file with this Commission after the effective date of this order and on not less than five days' notice to this Commission and the public, in conformity with General Order No. 96-A, a new and revised map, as shown in Exhibit B, Sheet 2, attached to the application modified in accordance with Appendix "A" of this decision and exchange rates for the Whitethorn exchange as set forth in Appendix "C" attached to the application.
5. Applicant is authorized to withdraw toll station service from the New Thorn and Shelter Cove toll station service areas coincident with the establishment of Whitethorn exchange service.

6. The authorization granted herein will expire unless exercised on or before December 1, 1970.

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

Dated at Los Angeles, California, this 8th
day of OCTOBER, 1968.

William J. ...
President

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William ...

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Commissioners

APPENDIX A

