

**ORIGINAL**

Decision No. 75057

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of GOLDEN STATE TELEPHONE COMPANY, a corporation, for authority to establish a new exchange area to be known as the Tivy Valley Exchange; to establish exchange zoning, a new toll rate point central office, and rates for said proposed exchange; and to provide extended area calling between said proposed Tivy Valley Exchange and the proposed revised Sanger Exchange.

Application No. 50292  
(Filed June 6, 1968)

OPINION AND ORDER

Golden State Telephone Company (hereafter referred to as applicant) requests this Commission to authorize establishment of the Tivy Valley exchange (from a part of the Sanger exchange), as shown in Exhibits A and C attached to its application, with exchange rates as shown in Exhibit E attached to the application and a toll rate center as shown in Exhibit D attached to the application (coordinates would be V-8655 and H-8191). Applicant also requests authority to upgrade service on a zoned basis within the new exchange with corresponding increases in rates for higher grades of service and deviations for customers who do not wish to take higher grades of service than those currently provided. Applicant proposes to establish extended calling between the Tivy Valley and Sanger exchanges and make tariff revisions as necessary to effect changes as may be authorized. Applicant requests that such authorization be granted ex parte.

Applicant is a California corporation which operates toll and exchange telephone systems in portions of Fresno County and elsewhere in California and with its main offices in the City of Manteca, San Joaquin County.

Purpose of Proposal

Applicant proposes to divide the present Sanger exchange into two exchanges. Sanger and Tivy Valley exchanges would result. The Tivy Valley exchange portion would include approximately 117 square miles of the north and east portions of the present Sanger exchange area. Applicant alleges that this division would benefit the company and ratepayers by reducing the plant costs for improvement of service which is sorely needed to eliminate held orders for service and service upgrading and additional plant necessary for future growth. Applicant also proposes substantial improvement of service through zone rate treatment made possible by splitting of the Sanger exchange and reduction in length of lines incident thereto.

Characteristics of the Area

Zone 1 of the proposed exchange contains a small community known as Tivy Valley, with approximately 80 establishments (mostly residential but with some small businesses), centered in an agricultural area. The surrounding Zone 2 area consists principally of farms. The average size of these farms is 40 acres; however, there are also some very large farming operations as well. Farming in the area is devoted generally to fruit orchards and citrus groves but also does contain some alfalfa fields and cattle farming operations. The outlying Zone 3 of the proposed exchange is rugged mountainous terrain consisting of pasture land and mountainous recreation land. Recreation facilities are also being developed around Pine Flat dam. Present telephone facilities in the Zone 3 area of the proposed exchange are very inadequate. Long lines with many parties are typical of service to this area.

Applicant's Showing

Applicant alleges in Exhibit H attached to its application that the estimated costs of facilities to provide needed service improvements to the area are substantially less (\$335,000) for the proposed Tivy Valley exchange as compared with similar service improvements from the existing Sanger exchange (\$411,000), an estimated saving of \$76,000. Applicant also alleges that the Tivy Valley exchange 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 public interest.

Exchange Rates

The following are the present and proposed exchange rates for the Tivy Valley portion of the Sanger exchange area:

PRESENT RATES

	<u>Ind. Line</u>	<u>Two- Party</u>	<u>Four- Party</u>	<u>Semi- Public</u>	<u>Suburban</u>	<u>PBX Trunk</u>
Residence	\$3.50#	\$3.00#	\$2.40#	\$ -	Zone 1 - \$3.00 Zone 2 - 3.50	-
Business	\$5.75#	\$4.50#	\$ -	.75*#	Zone 1 - \$4.25 Zone 2 - 5.00	\$8.50

# Plus mileage charges from the Sanger base rate area for the class and grade of service ordered.

\* Plus daily guarantee of \$.21.

PROPOSED RATES

	<u>Ind. Line</u>	<u>Two- Party</u>	<u>Semi- Public</u>	<u>Suburban</u>	<u>PBX Trunk</u>
Residence:					
Zone 1	\$3.50	\$3.00	\$ -	\$ -	\$8.50
Zone 2	4.25	3.50	-	-	9.25
Zone 3	4.25**	-	-	3.00	9.25**
Business:					
Zone 1	\$5.75	\$ -	\$2.85	\$ -	\$8.50
Zone 2	6.50	-	3.60	-	9.25
Zone 3	6.50**	-	3.60**	4.25	9.25**

\*\* Plus mileage from the boundary of Zone 2 for the class and grade of service ordered.

Toll Rates

The new toll rate center for the Tivy Valley exchange will result in slight increases on some calls, no change on some others and a slight decrease in calls to Auberry. The toll rate of 20¢ to Fresno (an important business and social center) is unchanged by the selection of the new toll rate center for Tivy Valley.

Customer Effects

Applicant alleges that the proposed Tivy Valley exchange will make improved service available to all customers of the area because of the new central office facilities to be installed in the area. The service improvements will also result in reductions in charges to 351 customers in the amount of \$425 per month or \$5,100 per year. One business customer will receive an increase of \$1.50 per month or \$18 per year but will upgrade from 8-party service to individual line service due to this revision. Based on a ten-day toll study conducted by applicant in March, 1968, the new toll rates will result in an increase in toll charges to customers of about \$1,100 annually.

Ex Parte Disposition

Applicant, to facilitate possible ex parte treatment, in August, 1968, sent a letter to each customer in the proposed Tivy Valley exchange informing them of this proposal. In a letter dated September 4, 1968, a representative of the applicant indicated that applicant had received approximately 10 responses from its letter to customers, and that the responses received were all favorable to the application. The California Farm Bureau Federation which represents a number of farmer members of the Tivy Valley area sent four letters to the applicant, with copies to this Commission, which initially objected to the ex parte treatment, but later indicated satisfaction with the application.

Commission Staff Investigation

The Commission staff made a field investigation on June 18, 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 Zone 1 and Zone 2 boundaries of the Tivy Valley exchange be modified slightly to ease administration of Zone 1 and to include in Zone 2 areas of one continuous parcel of land likely to be developed in the future.

Findings and Conclusions

The Commission finds that:

1. A public hearing on this matter is not necessary.
2. The establishment of the Tivy Valley exchange is in the public interest.
3. The modifications to the zone boundaries as recommended by the staff are desirable for proper administration of rates.
4. The establishment of a toll rate center which maintains present toll rates to Fresno as selected is desirable and in the public interest.
5. 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 Tivy Valley exchange, will for the future be unjust and unreasonable.
6. Maintaining toll free extended calling from the Tivy Valley exchange to the Sanger exchange is in the public interest.
7. Applicant's request to deviate from its proposed rates and charges to continue residence suburban 8-party service to existing customers at present rates until such customers elect to upgrade or discontinue service is just and reasonable.

8. There is no apparent opposition to the proposed Tivy Valley 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 Tivy Valley exchange with a boundary as set forth in Exhibit A to the application, and with Zone 1 and Zone 2 boundaries as set forth in Appendix A to this decision.

2. Applicant is authorized to establish the Tivy Valley toll rate center with V and H coordinates as follows: V = 8655 and H = 8191.

3. Applicant is authorized to provide toll free extended calling between the proposed Tivy Valley exchange and its Sanger exchange.

4. Applicant is authorized to deviate from its proposed rates to continue suburban 8-party residence service to customers, who would otherwise experience rate increases if compelled to take higher grades of service, until such customers elect to take higher grades of service voluntarily, or discontinue their existing services.

5. 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, (1) a new and revised map of the Sanger exchange as shown in Exhibit B, attached to the application, (2) a new map of the Tivy Valley exchange as set forth in Exhibit A, attached to the application, but with zone boundary modifications as set forth in Appendix A of this decision, and (3) exchange rates for the Tivy Valley exchange as set forth in Exhibit E, attached to the application.

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.

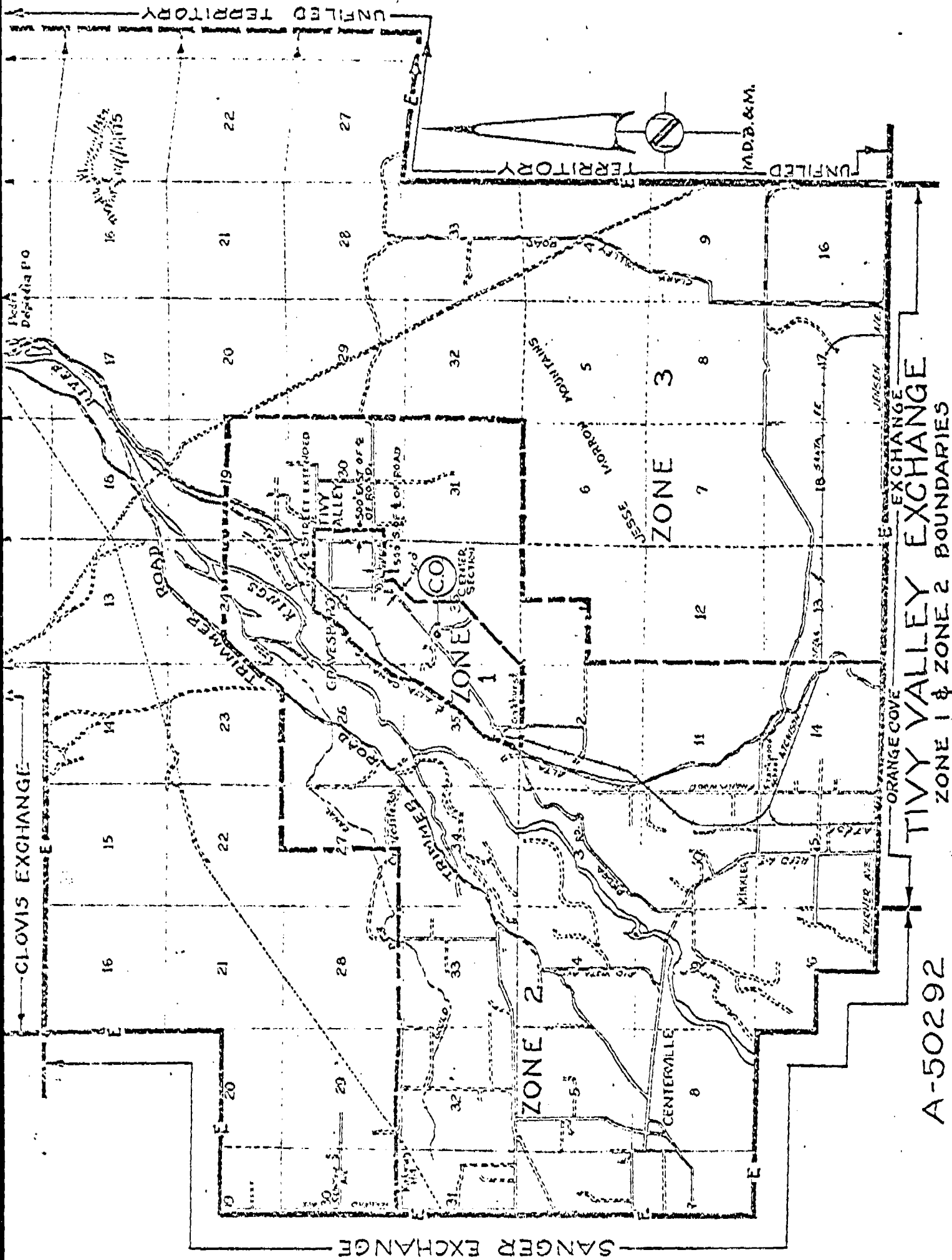
Dated at San Francisco, California, this 10<sup>th</sup> day of DECEMBER, 1968.

William Synovis, Jr.  
President

Augustus

Paul P. Monissey  
Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.



TIVY VALLEY EXCHANGE  
ZONE BOUNDARIES 1 & 2

TIVY VALLEY EXCHANGE  
EXCHANGE  
ORANGE COVE  
ZONE 1 & ZONE 2 BOUNDARIES

A-50292



SECTION NO. 6--DISTANCE COMMODITY RATES (Concluded) (In Cents Per 100 Pounds)					Item No.
Seed, Cotton, Flax and Safflower.					
<u>MILES</u> But Not Over Over		RATES	<u>MILES</u> But Not Over Over		RATES
0	3	5 $\frac{1}{2}$	140	150	23
3	3	6 $\frac{1}{2}$	150	160	24
5	10	6 $\frac{3}{4}$	160	170	25
10	15	7 $\frac{1}{2}$	170	180	26
15	20	8	180	190	27
20	25	8 $\frac{3}{4}$	190	200	29
25	30	9 $\frac{1}{4}$	200	220	31
30	35	10 $\frac{1}{2}$	220	240	33
35	40	11	240	260	35
40	45	11 $\frac{1}{2}$	260	280	37
45	50	12 $\frac{1}{2}$	280	300	40
50	60	13 $\frac{3}{4}$	300	325	43
60	70	14 $\frac{1}{2}$	325	350	46
70	80	15 $\frac{1}{2}$	350	375	49
80	90	16 $\frac{1}{2}$	375	400	52
90	100	17 $\frac{1}{2}$	400	425	55
100	110	18 $\frac{1}{2}$	425	450	58
110	120	19 $\frac{1}{2}$	450	-	(1)
120	130	21			
130	140	22			
(1) Add to rate for 450 miles, 3 cents per 100 pounds for each 25 miles or fraction thereof.					
* Addition, Decision No. <b>75044</b>					
EFFECTIVE JANUARY 11, 1969					
Issued by the Public Utilities Commission of the State of California, San Francisco, California.					
Correction No. 66					