

ORIGINAL

Decision No. 77574

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

THE CALIFORNIA FARM BUREAU FEDERATION,
a non-profit corporation,

Complainant,

vs.

PACIFIC TELEPHONE & TELEGRAPH COMPANY,
a corporation,

and

CITIZENS UTILITIES COMPANY OF
CALIFORNIA, a corporation,

Defendants.

Case No. 9029
(Filed March 6, 1970)

William L. Knecht and Ralph O. Hubbard, for
California Farm Bureau Federation, complainant.
Weyman I. Lundquist, for Citizens Utilities
Company of California, defendant.
Richard Siegfried, for The Pacific Telephone and
Telegraph Company, defendant.
Ermet J. Macario, for the Commission staff.

OPINION AND ORDER

The complainant requests that The Pacific Telephone and Telegraph Company (Pacific) and Citizens Utilities Company of California (Citizens) be ordered to present forthwith plans for eliminating the cross-boundary telephone toll charges between Pacific's Sacramento exchange and the contiguous Elk Grove exchange of Citizens.

After due notice, public hearing was held in Elk Grove before Examiner Carol T. Coffey. The complaint was submitted for decision on June 9, 1970, upon the receipt of the transcript.

Complainant alleges that the residential and commercial development in each exchange is such that the exchange boundary and present toll charges for cross-boundary telephone calls hinder and impede the normal activities of defendants' telephone subscribers. Further, complainant alleges defendants have been requested, solicited and petitioned to eliminate cross-boundary toll charges between said exchanges and they have refused to do so to the harm and damage of the telephone subscribers in the respective exchanges.

Citizens and Pacific allege in defense that they have previously studied the costs of implementing extended area service between Sacramento and Elk Grove as part of an overall plan to provide extended area service between Sacramento and a number of neighboring exchanges. Pacific concluded from the studies that its Sacramento customers would be required to pay increased rates for the requested extended area service. Pacific does not know if its Sacramento customers would be willing to pay higher rates for said expanded calling. Citizens concluded from said studies that, in view of the increased costs reflected therein, and in view of the relatively limited favorable customer response, its customers were not substantially desirous of extended area service. Citizens and Pacific are willing to cooperate with each other and the Commission's staff to make further studies of the current need and economic effect of extended area service between the Elk Grove and Sacramento exchanges.

Complainant presented fourteen witnesses who testified regarding past efforts to obtain toll-free calling between the Elk Grove and Sacramento exchanges; the cost of telephone service to subscribers, the use of foreign exchange service, the community of

interest between Elk Grove, Sacramento and the intervening county area; and the adverse effects of the present telephone exchange boundary on governmental activities, including fire, education and health. Of the about 120 members of the public present, 105 indicated they desired toll-free calling between said exchanges and 15 did not want the requested service.

Considering studies made about a year ago of extended area service between all of Elk Grove exchange and all of Sacramento exchange and alternately between all of Elk Grove exchange and the Main District Area of the Sacramento exchange, and considering that only 57% of Citizens' subscribers favored the first plan, the staff initially suggested that defendants undertake a study of the costs, revenue requirements, appropriate basic rate changes and customer acceptance of an EAS plan to eliminate toll charges between the Main District Area and the area served by the north central office in Citizens' Elk Grove exchange. Several of the public witnesses opposed this limitation of EAS which would exclude Elk Grove and the southern portion of the Elk Grove exchange. Complainant indicated that although the complaint requests EAS service to all of the Sacramento exchange, complainant does not desire to make a request which would result in pricing subscribers out of the possibility of obtaining toll-free service. After conference, the parties agreed that defendants would undertake and complete within six months a study of EAS between all of Elk Grove exchange and the Sacramento Main District Area.

Findings and Conclusions

The Commission finds that:

1. There is a substantial community of interest between telephone subscribers in the Elk Grove exchange of Citizens and the Main District Area of the Sacramento exchange of Pacific.

2. Further studies are required to establish the public interest in and the public convenience and necessity for EAS between all or portions of the Sacramento and Elk Grove exchanges.

The Commission concludes that the complaint should be granted by requiring defendants within six months to complete a study of the costs, revenue requirements, appropriate basic rate changes, customer acceptance and appropriate additional matters for an EAS plan between Elk Grove exchange and the Main District of the Sacramento exchange, and that defendants should be required to present the results of said study for the review of the Commission as support for an application for authorization of EAS between Elk Grove exchange and Sacramento Main District.

Defendants should consult with, and keep advised, complainant and the Commission's staff during the process of said study. If complainant, the Commission's staff and defendants agree that said EAS between Elk Grove exchange and Sacramento Main District is not economically feasible, acceptable to subscribers, or otherwise not in the public interest, defendants should request additional time, not to exceed three months, to complete a study of, and to file an application for authorization for, EAS service between Sacramento Main and such portion of Elk Grove exchange as may be appropriate.

IT IS ORDERED that on or before January 31, 1971, The Pacific Telephone and Telegraph Company and Citizens Utilities Company of California shall complete a study of the costs, revenue requirements, appropriate basic rate changes, customer acceptance and appropriate additional matters of extended area service between

Pacific's Sacramento Main District and Citizens' Elk Grove exchange and shall file an application requesting authorization of said EAS.

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

Dated at San Francisco, California, this 4th day of AUGUST, 1970.

[Signature]
Chairman
[Signature]
William [Signature]
[Signature]
Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.