

Decision No. 77823

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

PERCY E. WHITTEN, THOMAS J. WHITTEN,)
et al.,)

Complainants,)

vs.)

THE PACIFIC TELEPHONE AND TELEGRAPH)
COMPANY, a corporation,)

Defendant.)

Case No. 9057
(Filed May 6, 1970)

Thomas J. Whitten and Percy E. Whitten,
for complainants.
Richard Siegfried, for defendant.

INTERIM OPINION

Complainants allege that the local calling area for the Lafayette Exchange is much smaller, both in area and total number of telephones, when compared to the adjacent neighboring exchanges as shown by a table labeled "Exhibit A" attached to the complaint (Exhibit 2). Since subscribers in the Lafayette Exchange pay the same rate as those in neighboring exchanges and are provided with less calling area for this charge, complainants allege that the subscribers in the Lafayette Exchange are being discriminated against as to their local calling area service. Complainants believe that there is a community of interest between Lafayette and its neighbors and that this discrimination is unfair to the subscribers in the Lafayette Exchange. Complainants request that they, at no additional cost, be allowed to call the Piedmont, Berkeley, Fruitvale and Alameda Exchanges in the East Bay Exchange, as well as the Martinez Exchange and the Danville Main Exchange.

Pacific, in its answer to the complaint, admits that its Lafayette Exchange has a smaller local calling area than the exchanges shown on Exhibit A to the complaint, but denies that this constitutes unfair discrimination to its subscribers in the Lafayette Exchange.

Public hearing was held at Lafayette on July 28, 1970, before Examiner Gillanders and the matter was submitted.

Complainants presented 22 witnesses who testified as to their need for the relief requested and the reasons therefor.

At complainants' request and with the agreement of defendant's counsel a show of hands revealed that all 59 members of the public in attendance at the hearing were in favor of complainants' request. The record shows that the Contra Costa County Board of Supervisors, the Lafayette City Council, the Lafayette Chamber of Commerce, the Lafayette Design Project, and the Lafayette Improvement Association are all in favor of complainants' request.

Defendant presented the Rate Supervisor for its Northern California Region who testified on its behalf. According to this witness, defendant would suffer an annual \$500,000 loss of revenue if complainants' request was granted.

The testimony of complainants' witnesses indicate that the people of Lafayette have a unity of interest with the East and West Bay for cultural and professional services and in some instances family and social ties.

One witness testified that most of her calls were to Oakland and that her charges ran \$35 to \$40 per month. Another witness produced Exhibit 4 which showed that during the last 12 years his unit calls varied from approximately 2,000 per year to approximately 3,500 per year, at an annual cost ranging from \$81.72 to \$163 per year.

According to defendant's Exhibit 6, in 1969 the average calling rate (CI factor) per Lafayette subscriber per month from Lafayette to Main Piedmont D. A. was 5.41, and from Lafayette to Concord was 5.19, and that the average subscriber made 15.7 calls per month, involving charges for message units. According to defendant, the estimated number of main telephones as of December 31, 1971 (Exhibit 5), in the Lafayette Exchange will be 7,853. Thus, according to defendant, each average main station subscriber spends \$64 annually for message units (\$500,000 divided by 7,800).

The above evidence points out the hazards of depending solely on CI factor averages to determine calling habits. A CI factor only gives information on subscribers' existing calling habits, not on how they would call if conditions were different, i. e. unlimited calling. A CI factor fails to indicate if the calls were made by a few individuals making many calls, or, if many individuals made few calls.

If only a few Lafayette subscribers actually make message unit calls it would be unfair to defendant's other ratepayers to require them to make up defendant's claimed loss of \$500,000 in revenues. If, on the other hand, many Lafayette subscribers make few message unit calls there would be the discrimination claimed by complainants.

Defendant claims optional residence telephone service (ORTS) should satisfy complainants. Complainants maintain ORTS is not the solution to the problem. As is obvious from its name, ORTS offers nothing to the business subscriber.

We recognize that exchange boundaries were established many years ago as were the boundaries of the San Francisco-East Bay Extended Area. We further recognize that such boundaries, in

whatever fashion they were prescribed, should not be altered without compelling reasons therefor.

We find that this record does not contain sufficient detailed evidence to support a decision either for complainants or defendant and thus conclude that we should have defendant make further studies as detailed in the order which follows.

INTERIM ORDER

The above-entitled matter having been considered and the Commission having found that an interim order should be issued, therefore,

IT IS ORDERED that:

1. Defendant shall, within sixty days of the effective date of this order, file the results of toll and multmessage unit distribution (block usage) studies for all Lafayette subscribers, separately for residence and business classes, for a one-month period, or for a representative sample of Lafayette subscribers for an appropriate sample period, for each of the following routes:

Lafayette to Main-Piedmont D. A.
Lafayette to Berkeley D. A.
Lafayette to Fruitvale D. A.
Lafayette to Alameda D. A.
Lafayette to Martinez Exchange.

2. The above studies shall be made in accordance with generally accepted methods of conducting such studies.

3. The results of such studies shall be furnished to the Commission and a copy furnished to the complainants.

4. Defendant shall, within sixty days of the effective date of this order, file the results of a survey of its Lafayette subscribers to determine the percentage of residential subscribers and the percentage of business subscribers who have a need to call any

or all of the exchange areas listed in ordering paragraph 1. Such survey shall be conducted in accordance with generally accepted methods of conducting such surveys.

5. The results of such survey shall be supplied to the Commission with a copy furnished to complainants.

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

Dated at San Francisco, California, this 14th day of OCTOBER, 1970.

J. P. Robinson
Chairman
Augusta
William Lyons Jr.
James J. ...
Vernon L. Sturgeon
Commissioners