

MS

Decision No. 78308

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE)
 AND TELEGRAPH COMPANY for authority)
 to establish three district areas)
 within the Bakersfield Exchange to)
 be designated Main District Area,)
 North District Area and South Dis-)
 trict Area and to establish Extended)
 Area Service between the Arvin Ex-)
 change and the proposed Main and)
 South District Areas.)

Application No. 51490
(Filed November 18, 1969)

Richard Siegfried, Attorney at Law, for appli-
 cant.
Ralph Hubbard and W. L. Knecht, Attorney at Law,
 for California Farm Bureau Federation,
 interested party.
Cyril M. Saroyan, Attorney at Law, for the
 Commission staff.

O P I N I O N

By this application, The Pacific Telephone and Telegraph Company (Pacific) seeks authority to establish three district areas within its Bakersfield exchange and to establish extended-area telephone service between its Arvin exchange and two of said district areas.

Public hearing in the matter was held before Examiner Emerson on October 14, 1970 at Bakersfield. The record contains 8 exhibits and the testimony of 7 witnesses.

Applicant's Bakersfield exchange covers the largest geographical area and has the longest calling distances of any of Pacific's exchanges. Its core is the City of Bakersfield. The exchange presently has 8 central offices using 16 prefixes. Pacific proposes to establish three district areas within the exchange; the North District Area, covering areas generally known as Oildale and

Rosedale; the Main District Area, covering the City of Bakersfield and in general the middle-third of the exchange and areas lying along State Highways 178 and 58; and the South District Area, covering the southerly portion of the exchange including the communities of Old River, Weedpatch, Greenfield, Lamont and Mettler.

Pacific's proposal would create two additional toll rate centers in the Bakersfield exchange, one for the North District Area and one for the South District Area. The two new toll rate centers would, according to Pacific, permit a more equitable gradation of toll rates to points within 40 miles. Rates to points beyond 40 airline miles would not be affected and would be continued as those applicable from the present Bakersfield exchange.

The City of Arvin, within Pacific's Arvin exchange, has become an integral part of the greater Bakersfield area. Numerous persons, officials, civic groups and organizations have sought toll-free calling to Bakersfield and have endorsed Pacific's proposal to provide extended-area service (EAS) between the Arvin exchange and the proposed Main and South District Areas.

Pacific's customer-preference survey, conducted in the proposed Main and South District Areas and in the Arvin exchange, indicates substantial public support in the Arvin exchange (68%) but less than a majority support from business customers in the two district areas (36%). No public witness expressed opposition to Pacific's plan, however, and no subscriber has otherwise informed the Commission as to any objection to this plan.

While recognizing the desirability of extended-area service over the Arvin-Bakersfield toll route, the Commission's staff, envisioning future toll-free calling problems between Bakersfield and the other exchanges to the northwest, espoused a proposal by which the

present Bakersfield exchange would be split into two exchanges. Briefly stated, the staff proposal would create an Oildale exchange which would encompass all the territory within the Bakersfield exchange lying to the north of the Kern River. The balance of the Bakersfield exchange would have two district areas (Main and Mettler) somewhat similar to those proposed by Pacific but the effect would be to withdraw present toll-free calling between the southern area (Mettler) and the new Oildale exchange and thus would make calls over such route a minimum of 30 cents per call. The staff proposal would give Arvin toll-free calling to the two district areas but not to Oildale. The staff proposal would mean lesser increases in Arvin exchange rates and greater increases in the Mettler area than those proposed by Pacific. The staff proposal places emphasis on a geographical-area approach, as measured in square miles, rather than on the calling needs of exchange subscribers as testified to by Mettler area subscribers. It found no support at the hearing.

The rates for extended-area service proposed by Pacific are those resulting from applying the EAS formula and rate increments authorized by Decision No. 77311 in Application No. 51114 issued June 3, 1970, in that proceeding, involving the Salinas, Gonzales and Chualar exchanges, the EAS increment increase for four-party residential service was limited to a maximum of \$1.50 for the multiple route plan. That plan did not change the "group" of the exchanges involved. In the instant proposal, however, the Arvin exchange will advance from a Group I to a Group II exchange; hence the increase due to such change for 4-party service will be \$1.80 per month. This latter effect is included in Pacific's proposed rates, which are as follows:

	Rate Per Month				
	Present		Proposed		
	Arvin	Bakersfield	Arvin	Main and South D.A.	North D.A.
<u>Business</u>					
Individual Line	\$ 9.00	\$11.25	\$16.25	\$11.60	\$11.25
Two-Party Line	6.75	8.00	13.00	8.35	8.00
Suburban	6.25	6.90	11.90	7.25	6.90
PBX Trunks	13.50	16.85	24.25	17.25	16.85
Semipublic	4.50	5.75	8.25	6.00	5.75
Farmer Line	*	3.25	*	3.60	3.25
<u>Residence</u>					
Individual Line	\$ 4.75	\$ 5.15	\$ 6.85	\$ 5.15	\$ 5.15
Two-Party Line	3.65	3.90	5.60	3.90	3.90
Four-Party Line	2.95	3.25	4.75	3.25	3.25
Suburban	3.45	3.75	5.25	3.75	3.75
Farmer Line	*	1.65	*	1.65	1.65

*Service not offered.

The increase for extended-area service applicable to the Bakersfield special rate area is the same as that for the base rate area.

In view of the evidence, the Commission makes the following findings of fact:

1. The establishment of extended-area telephone service and the districting of the Bakersfield exchange as proposed herein by Pacific is in the public interest.
2. Increases in exchange rates as herein authorized are justified.
3. Present exchange rates, insofar as they differ from those herein authorized, will become unjust and unreasonable upon the establishment of EAS and districting as proposed by Pacific.

The Commission concludes that the application herein should be granted.

O R D E R

IT IS ORDERED that:

1. The Pacific Telephone and Telegraph Company (Pacific) is hereby authorized to establish a North District Area, a Main District Area and a South District Area within its present Bakersfield exchange, as said districts are delineated in Exhibit No. 2 in this proceeding.

2. Pacific is hereby authorized, coincidentally with the aforesaid districting, to establish extended area telephone service between the Arvin exchange and the Main and South District Areas of the Bakersfield exchange within 24 months of the effective date of this order.

3. After not less than five days' notice to the public and to the Commission, Pacific shall make effective in the affected exchanges on the date on which extended-area service is established therein, tariffs revised to reflect the rate changes set forth in Exhibit B attached to the application herein and shall coincidentally therewith withdraw message toll telephone service over the affected routes.

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

Dated at San Francisco, California, this 17th day of FEBRUARY, 1971.

Commissioner David W. Holmes
Present but not participating.

[Signature]
Chairman

[Signature]

[Signature]

Commissioners