

Decision No. 81822

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

CITY OF McFARLAND, a Municipal
Corporation,)
Complainant,)

vs.)

CONTINENTAL TELEPHONE OF CALIFORNIA,)
a Corporation,)
Defendant.)

Case No. 9501
(Filed January 26, 1973)

M. Dwain Smith, Attorney at Law,
for the City of McFarland,
complainant.
Orrick, Herrington, Rowley &
Sutcliffe, by James F. Crafts, Jr.,
Attorney at Law, for Continental
Telephone Company of California,
defendant.

O P I N I O N

Complainant, city of McFarland (McFarland), seeks an order prohibiting defendant, Continental Telephone Company of California (Continental), from closing its business office located in McFarland, California. McFarland alleges that its city council has determined that the continued operation of the McFarland business office is necessary for the health, safety, and welfare of its citizens.

Public hearing was held before Examiner Johnson at McFarland on May 15, 1973 and the matter was submitted.

Complainant's Position

McFarland presented testimony through its mayor, a city councilman, the editor of the McFarland Press, and a correspondent for the Bakersfield Enterprise. The testimony revealed that only minimum notice of the contemplated closing of the office was given

to city officials, customers of the company, and representatives of the press; that some of McFarland's citizens desire personal face-to-face contact with a telephone company representative when complaining about erroneous billing charges; that the toll-free numbers provided for contacting Continental's business office were not widely publicized and therefore many residents in McFarland did not know how to contact Continental's business representatives; and that many senior citizens and Spanish-speaking people overpaid their utility bills because they were unfamiliar with the proper procedure for obtaining corrected billings.

Defendant's Position

Continental presented testimony through its local manager for the commercial operations in the Corcoran, Exeter, and McFarland areas.

Continental's witness testified that its McFarland business office was closed on February 9, 1973 for economic reasons and that service in the area was improved because: there were six representatives instead of one handling McFarland accounts; there was direct telephone contact with the local manager; McFarland customers were able to pay their telephone bills at the same place they paid other utility bills; and that its Spanish-speaking customers did not need interpreters because two of the six representatives handling billing inquiries are bilingual.

The local manager further testified that savings in operating costs redounded to the benefit of all of Continental's customers and presented Exhibit 1 indicating a yearly net operating savings from closing the McFarland office of \$6,378.84.

Discussion

The record reveals that there are numerous instances of erroneous toll call billings and that some of Continental's McFarland customers believe that the only satisfactory method of resolving such billing errors is through face-to-face contact

with Continental's personnel.

Continental's local manager testified that there were numerous instances of incorrect toll call billings due to operator error and fraudulent use of telephones. He further testified that later this year Continental intends to install automatic toll call billing which should eliminate this problem. However, until such automatic billing equipment is installed, some of Continental's McFarland customers will feel they are being disadvantaged by being forced to adjust telephone billing errors by means other than through face-to-face contact with telephone representatives.

McFarland's witnesses testified that the alleged advantage of the availability of Spanish-speaking Continental representatives was nullified because having never been notified of this fact, they were unaware of the availability of such Spanish-speaking telephone representatives. Continental's witness admitted that the lack of adequate notice was an oversight which will be corrected by sending out bilingual bill stuffers in the near future. McFarland attempted to show through extensive cross-examination that not only did Exhibit 1 grossly exaggerate the alleged savings accruing to Continental because of the closing of the McFarland office but that an apportionment of its pro rata share of the Exeter personnel salaries coupled with the cost of the toll-free lines, additional postage, and payments made to a collection agency might well result in additional costs rather than savings to Continental. Exhibit 1 is admittedly based in part on estimates by Continental's local manager. It is obvious, however, that the savings represented by the elimination of one position together with the related indirects and other savings set forth in Exhibit 1 will result in some savings to Continental.

Findings

1. Continental closed its McFarland business office without adequate notice to the public.
2. There are numerous instances of erroneous billings to the residents of McFarland, the frequency of which should be reduced or eliminated when automatic toll call billing equipment is installed later this year.
3. Some of the residents of McFarland desire face-to-face contact with Continental personnel when attempting to correct erroneous billings.
4. Part-time availability of Continental business office personnel in McFarland is justified until the installation of automatic toll billing equipment.
5. The closing of the McFarland office is of economic benefit to Continental.

Conclusions

The Commission concludes that the requested relief should be granted to the extent set forth in the ensuing order.

O R D E R

IT IS ORDERED that:

1. From the effective date of this order until 45 days after the installation of automatic toll billing equipment, Continental shall have a business representative at the McFarland office at least two days a week.
2. Bill stuffers are to be inserted in all bills for at least two billing periods, describing the availability of toll-free lines to the Exeter business office, the days and hours that the

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McFarland office will be open, the expected dates of the installation of the automatic toll billing equipment, and closing of the McFarland office.

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

Dated at San Francisco, California, this 28th day of AUGUST, 1973.

Vernon L. Spencer
President
William J. Symons
William J. Symons
William J. Symons
Commissioners

Commissioner D. W. Holmes, being necessarily absent, did not participate in the disposition of this proceeding.