

ORIGINAL

Decision No. 84630

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of The Pacific Telephone and Telegraph Company for authority to establish Extended Area Service between the Poway, Del Mar and Rancho Santa Fe Exchanges and the San Diego Exchange and to withdraw message toll-telephone service rates now in effect over said routes.

Application No. 51496
(Filed November 20, 1969)

SUPPLEMENTAL ORDER

The Pacific Telephone and Telegraph Company (Pacific) by petition filed May 19, 1975 requests modification of Ordering Paragraphs 1 and 2 of Decision No. 78800 as modified by Decision No. 79870.

The paragraphs of Decision No. 79870 read as follows:

"1. The Pacific Telephone and Telegraph Company shall provide optional measured extended area service from its Poway, Rancho Santa Fe and Del Mar exchanges to its San Diego exchange at reasonable compensatory rate levels for business and residential service and to make such service and rates effective not later than August 1, 1975.

"2. By not later than August 1, 1975, Pacific shall withdraw residence four-party line flat rate service in its Del Mar exchange and substitute therefor residence two-party line message rate 20-message allowance service at a rate of \$2.95 per month."

Pacific requests that paragraph 1 be modified to relieve Pacific of its obligation to provide optional measured extended service to business customers in its Poway, Del Mar, and Rancho Santa Fe exchanges, or in the alternative, defer compliance until August 1, 1978; limit the offering to one-party unlimited service; authorize the offering as experimental; and provide for tracking data as ordered in Decisions Nos. 82636, 82605, and 83405.

Pacific requests paragraph 2 be modified to show the authorized two-party measured residential service rate as \$2.50 monthly, including a 30-message unit allowance.

The Commission notes that Pacific's request is consistent with other decisions involving extended area service. In every case where Pacific has proposed Optional Calling Measured Service (OCMS) it has limited the offering to 1-party residential unlimited customers. The Commission, in all of its OCMS decisions, has authorized the plan this way. OCMS has been limited to 1-party, flat rate residential customers in the Modesto area by Decision No. 82605, in the Fresno area by Decision No. 82636, and in the Stockton area by Decision No. 83405. Pacific's authorized OCMS residential plans are all experimental; Pacific is under Commission order to track the economic impact of each offering as implemented and if necessary in two years file for revised permanent rates based on actual experience.

Ordering Paragraph 2 of Decision No. 79870 authorized residence two-party line message rate 20-message allowance service at a rate of \$2.95 per month. The charging plan authorized was identical to the charging plan in the metropolitan areas where one-party measured service was offered. The Commission intended that the two-party measured rate for Del Mar be the same as the prevailing one-party measured rate in the metropolitan areas. Since the authorization of the Del Mar two-party measured rates, one-party measured rates in metropolitan areas and two-party measured rates in other exchanges have been changed to \$2.25 monthly with 30-message unit allowance on August 8, 1972, and then to \$2.50 monthly with 30-message unit allowance on August 17, 1974. Pacific requests that paragraph 2 be modified to conform with the rates established in August 1974.

Findings and Conclusions

We find that:

1. Pacific's request is consistent with the Commission's previous decisions regarding optional extended area service.
2. OCMS should, as in other cases, be limited to 1-party flat rate residential customers in the Poway, Del Mar, and Rancho Santa Fe exchanges, thereby relieving Pacific of its obligation to provide OCMS to business customers in those exchanges.
3. The OCMS offering should be made experimental and requires the same kind of tracking data ordered in Decisions Nos. 82636, 82605, and 83405.
4. The monthly rate for two-party measured service should be changed to conform to rates established elsewhere for the same service. The rates herein authorized are fair and reasonable.

We conclude that this petition should be granted as hereinafter ordered and that a public hearing on this petition is not necessary.

IT IS ORDERED that:


1. Ordering Paragraph 1 of Decision No. 79870 is modified to relieve The Pacific Telephone and Telegraph Company (Pacific) of its obligation to provide optional calling measured service to business customers in its Poway, Del Mar and Rancho Santa Fe exchanges.
2. Ordering Paragraph 1 is modified to limit the OCMS offering to one-party flat rate residential customers. It is authorized on an experimental basis for a period of 24 months.
3. Within six months of the establishment of the OCMS authorized herein, Pacific shall report to the Commission, in writing, the actual revenue effect, actual expense change, actual incremental investment changes, actual cost of ownership change, and net effect based on first full three months of OCMS operations.


4. Within 24 months of the effective date of the temporary OCMS authorization herein, Pacific shall apply for further authorization of rates for the service herein ordered based on the results of its studies and customer acceptance of this service.

5. Ordering Paragraph 2 shall be changed to show the two-party measured rates for the Del Mar exchange as \$2.50 per month with a 30-message unit allowance.

The effective date of this order shall be twenty days after the date hereof provided that no party hereto requests a hearing within such twenty day period. If a hearing is requested by a party this order shall stand suspended.

Dated at San Francisco, California, this 8th day of JULY, 1975.


President


Commissioners

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