

Decision No. 87664 AUG 2 1977

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Golden State Grange,

Complainant

vs.

Pacific Telephone Company

Defendent

Case No. 10190
(Filed October 13, 1976)

Application of THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY for authority to establish extended service from the Butte City Exchange to the Willows Exchange and to withdraw message toll telephone rates now in effect on calls from Butte City to Willows. Pacific Telephone also seeks authority to establish optional calling measured service from the Willows Exchange to the Butte City Exchange.

Application No. 57353
(Filed May 31, 1977)

O P I N I O N

By formal complaint, Case No. 10190, filed October 13, 1976, with this Commission, the Golden State Grange representing residents and telephone subscribers in the Butte City exchange of The Pacific Telephone and Telegraph Company (hereinafter referred to as "Pacific") requests that Pacific "be directed to include the Butte City-Codora area in the Willows service area of said company at the same rates and charges as are set and determined for telephone service in the Willows service area without further delay."

In its "Answer to Complaint" Pacific alleges that there is no indication that the size of its Willows exchange should be expanded and that Pacific is in the process of obtaining management approval for funds necessary to provide one-way non-optional extended area service (EAS) from its Butte City exchange to its Willows exchange and to

provide Optional Calling Measured Service (OCMS) from Willows to Butte City. Pacific requests in its "Answer to Complaint" that the relief requested by the complaint be denied and the complaint be dismissed.

Pursuant to its "Answer to Complaint", Pacific, by Application No. 57353, filed May 31, 1977, seeks an order of this Commission authorizing the establishment of one-way non-optional EAS from its Butte City exchange to its Willows exchange. Concurrent with the Butte City-Willows EAS offering, Pacific will offer Optional Calling Measured Service (OCMS) from the Willows exchange to the Butte City exchange and seeks to withdraw message toll service from the Butte City exchange to the Willows exchange.

Pacific states in its application that the extended service aspect of its proposal is responsive to the needs of Pacific's Butte City customers in view of the high calling volumes to Willows. Although the complaint filed by the Golden State Grange requests that the Butte City area be included in the Willows exchange, we conclude that the provision of EAS will satisfy the calling needs from Butte City to Willows as expressed by complaint Case No. 10190. This Commission has not established a policy of exchange boundary revisions to remedy cross-boundary calling needs but has instead authorized numerous EAS routes such as requested in Pacific's Application No. 57353. The proposal to offer OCMS from Willows to Butte City is appropriate insofar as the subscriber calling rate from Willows to Butte City is not nearly as great as in the reverse direction and OCMS is offered on an optional basis to residential subscribers.

Pacific proposes to provide EAS to Butte City as reflected under existing tariffs by adding to the basic monthly service rates the applicable EAS increments as authorized by this Commission's Decision No. 77311 as shown in Attachment C of Pacific's application. Pacific proposes to offer OCMS to its Willows subscribers at the same rates and conditions set forth in its tariff Schedule No. 149-T,

Optional Calling Measured Service. Pacific requests that its OCMS proposals for Willows be authorized on a trial basis for two years and that the rates authorized herein for EAS and OCMS be the rates applicable at the time the service is established.

In its application, Pacific states that the estimated cost of construction to provide the proposed service will be \$25,000 and the estimated effect of changes in revenues, expense savings and charges on investment will be a cost to Pacific of \$2,600 annually. Pacific requests that it be granted twenty-four months from the effective date of authorization within which to establish and implement the service changes in its application.

Subsequent to its application, Pacific has notified by mail each of its Butte City customers regarding the proposal before this Commission and the applicable rates. The notification invites protests to Pacific's application to be made to this Commission. Having received no protests to Pacific's application, we conclude that the proposals presented in Application No. 57353 are acceptable to and in the best interests of the telephone subscribers in the Butte City exchange.

Findings

1. Case No. 10190 should be dismissed without prejudice.
2. One-way non-optional extended area service should be provided from Pacific's Butte City exchange to Pacific's Willows exchange with the applicable basic rate increase as established by this Commission in Decision No. 77311.
3. Message toll service should be withdrawn for calls from the Butte City exchange to the Willows exchange.
4. OCMS should be provided to residence subscribers in Pacific's Willows exchange for calling to the Butte City exchange on a two-year trial basis at applicable rates and under applicable conditions specified in Pacific's tariff Schedule No. 149-T.

5. Rates for EAS and OCMS should be authorized as those rates applicable at the time the services are established.

6. The proposed services should be established within twenty-four months of authorization.

7. The estimated cost to Pacific for the proposed service changes for Butte City and Willows exchanges is \$2,600 annually in addition to \$25,000 construction costs.

8. Proper notice having been given and having received no protests pursuant to Pacific's application, a public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Case No. 10190 is dismissed without prejudice.

2. Pacific shall undertake all necessary action to initiate within twenty-four months of the effective date of this order one-way non-optional extended area service (EAS) from the Butte City exchange to the Willows exchange. Further, Optional Calling Measured Service (OCMS) shall be initiated from the Willows exchange to the Butte City exchange concurrently with the provision of the Butte City-Willows EAS. The rates applicable with the establishment of these services shall be the rates effective at the time the services are established.

3. Within six months of the establishment of EAS and OCMS authorized herein, Pacific shall report to the Commission, in writing, the actual revenue effect, actual expense change, actual incremental investment changes, and net effect based on the first full three months of EAS and OCMS operations.

4. Within twenty-four months of the establishment of OCMS from Willows to Butte City, Pacific shall apply for further authorization for the OCMS ordered herein based on the results of its studies and customer acceptance of the service.

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

Dated at San Francisco, California, this 2nd
day of AUGUST, 1977.

Robert Belmont
President
William J. Guss
Vernon L. Sturgeon

Commissioners

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

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.