

ORIGINAL

Decision No. 88334 JAN 17 1978

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 from the Dunnigan Exchange to the Woodland Exchange and to withdraw message toll telephone rates now in effect on calls from Dunnigan to Woodland. Pacific Telephone also seeks authority to establish Optional Calling Measured Service from the Woodland Exchange to the Dunnigan Exchange.

Application No. 57669
(Filed November 4, 1977)

O P I N I O N

The Pacific Telephone and Telegraph Company (Pacific) in Application No. 57669 requests authority for the establishment of one-way non-optional extended area service (EAS) from the Dunnigan exchange to the Woodland exchange and to withdraw message toll telephone service rates now in effect on calls from Dunnigan to Woodland. Pacific also seeks to establish Optional Calling Measured Service (OCMS) from the Woodland exchange to the Dunnigan exchange.

Pacific's Dunnigan exchange has a population of approximately 600 and a main station development of about 200. The Dunnigan exchange is located in Yolo County and includes the community of Dunnigan.

Pacific's Woodland exchange has a population of approximately 33,000 and a main station development of about 13,150. It includes the community of Woodland, which is the County Seat of Yolo County. Woodland has a wide choice of doctors, lawyers, and dentists. Dunnigan depends upon Woodland for the majority of its goods and services.

Dunnigan's business customers call Woodland an average of 15.08 times per month and residence customers 8.81 times per month. This calling is over a 19-mile toll rate route. This route is rated at the one-minute initial period day station rate of \$0.17 and each additional minute at \$0.10. Pacific is proposing to offer extended area service to all Dunnigan customers on a one-way non-optional basis. An increase in basic monthly exchange rates will be required of all customers in the Dunnigan exchange. This will be offset by the elimination of toll charges for calls from Dunnigan to Woodland.

Calls from Woodland customers to Dunnigan average about .11 times per month per customer. The need of Woodland customers to call Dunnigan is selective and OCMS is tailored to fit individual needs rather than burdening all of the exchange customers.

Pacific proposes to provide one-way non-optional extended calling from the Dunnigan exchange to the Woodland exchange for an incremental monthly rate to be added to present basic monthly service charges. The increment used to establish the proposed rates was authorized by the Commission in Decision No. 77311. Appendix A attached hereto shows the present and proposed rates for the various grades of service.

OCMS will be offered to Woodland residents in accordance with Pacific's tariff Schedule No. 149-T.

Pacific's gross construction costs to provide the proposed service will be \$20,000. This cost includes both central office equipment and outside plant additions. Pacific estimates that the annual dollar effect of establishing EAS for Dunnigan will be a net loss to the company of \$5,300.

Dunnigan subscribers' interest in toll-free calling dates back to 1965. Since that time they have complained to the Manager in Woodland and Pacific's higher management regarding their need to call Woodland without a toll charge.

In January, 1971, forty-six Dunnigan subscribers filed an informal Commission complaint (U-19766-T) regarding various service problems including a request for toll-free calling to Woodland.

Pacific in May, 1972, undertook a customer survey of Woodland, Dunnigan and several other adjacent exchanges regarding their acceptance of EAS. The survey showed that 81% of the business and 74% of the residence customers favored extended service to Woodland at higher exchange rates.

Findings

1. The customers in the Dunnigan exchange depend upon Woodland for a majority of their services and have high calling volumes to the Woodland exchange.
2. Provision of one-way EAS from Dunnigan to Woodland will result in lower costs for most customers and is favored by the majority of Dunnigan customers.
3. Optional Calling Measured Service from Woodland to Dunnigan will provide those Woodland customers with high calling volumes to Dunnigan an economical alternative without burdening the rest of the customers.

O R D E R

IT IS ORDERED that within 24 months of the effective date of this order The Pacific Telephone and Telegraph Company (Pacific) is authorized to:

1. Establish one-way non-optional extended service for calling from the Dunnigan exchange to the Woodland exchange and concurrently increase rates in the Dunnigan exchange as proposed in Appendix A attached to the application.

2. Introduce Optional Calling Measured Service in the Woodland exchange at the rates, charges and conditions set forth in Schedule Cal. P.U.C. No. 149-T.

3. Cancel and withdraw message toll telephone rates for calls from the Dunnigan exchange to the Woodland exchange.

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

Dated at San Francisco, California, this
17th day of JANUARY, 1978.

William Symons, Jr. President
Vernon L. Stutzman
Richard P. Chavalle
Clare T. Dechick Commissioners

Commissioner Robert Barinovich, being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY

PROPOSED EXTENDED AREA SERVICEPRESENT AND PROPOSED RATES FOR PRINCIPAL
CLASSIFICATIONS OF EXCHANGE SERVICEDUNNIGAN EXCHANGE

<u>CLASS OF SERVICE</u>	<u>RATE PER MONTH</u>				
	<u>Present Dunnigan</u>	<u>Proposed (1) EAS Increment</u>			<u>Proposed Dunnigan</u>
<u>Business</u>					
Individual Line	\$14.55	\$4.00	[\$4.60]	\$18.55	[\$19.15]
Two-Party Line	10.75	4.00	[4.60]	14.75	[15.35]
Suburban	11.00*	4.00	[4.60]	15.00	[15.60]
PBX Trunks	21.75	6.00	[6.75]	27.75	[28.50]
Semipublic Coin	6.80	2.70	[2.95]	9.50	[9.75]
Farmer Line	4.15	4.00	[4.60]	8.15	[8.75]
<u>Residence</u>					
Individual Line	\$5.70	\$2.35	[\$1.55]	\$7.05	[\$7.25]
Two-Party Line	4.75	1.35	[1.55]	6.10	[6.30]
Suburban	4.90*	1.35	[1.55]	6.25	[6.45]
Farmer Line	2.20	1.35	[1.55]	3.55	[3.75]

(1) Salinas EAS increments, authorized by C.P.U.C. Decision No. 77311

* Four-Party Line Service

[1] EAS Increment as proposed in Application No. 55492, Staff Exhibit No. 222