

ORIGINAL

Decision No. 88939 JUN 13 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY for authority to establish one-way non-optional Extended Area Service (EAS) from the Tomales Exchange to the Main District Area of the Petaluma Exchange and one-way Optional Calling Measured Service (OCMS) from the Main District Area of the Petaluma Exchange to the Tomales Exchange.

Application No. 57901  
(Filed February 28, 1978)

O P I N I O N

The Pacific Telephone and Telegraph Company (Pacific) by the above-entitled application requests authority to establish one-way non-optional Extended Area Service (EAS) from the Tomales Exchange to the Main District Area of the Petaluma Exchange and to withdraw message toll telephone service rates now in effect on calls from Tomales to the Main District Area of the Petaluma Exchange. Pacific also seeks to establish Optional Calling Measured Service (OCMS) from the Main District Area of the Petaluma Exchange to the Tomales Exchange.

Pacific's Tomales Exchange has a population of approximately 700 and a main station development of about 250. The Tomales Exchange is located in Marin County and contains an automobile repair garage, two food establishments, fire department, and primary and secondary schools. Most other goods, services and governmental needs are available in Petaluma.

Pacific's Main District Area of the Petaluma Exchange has a population of approximately 40,500 and a main station development of about 16,300. Petaluma offers a wide choice of doctors and lawyers, about 300 retail outlets providing most goods and

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services, a hospital, the California Highway Patrol, county sheriff, a taxi company, Greyhound bus and Golden Gate Transit terminals, and educational facilities from primary through a four-year college.

The Tomales business customer calls the Main District Area of the Petaluma Exchange on an average of 12.83 times per month, the residence customer, 6.34 times per month. This calling is over a 15-mile toll rate route rated at the initial period day station rate of \$0.13 and each additional minute at \$0.08.

Pacific proposes extended area service to all Tomales' customers on a one-way non-optional basis. An increase in basic monthly exchange rates of \$0.85 for residence users and \$2.50 for business users will be required as shown in Exhibit B of the application. The increments added to the present rates were authorized by the Commission in Decision No. 77311. This will be offset by the elimination of toll charges for calls from Tomales to the Main District Area of the Petaluma Exchange.

The total number of calls from the Petaluma Main District Area customers to Tomales averages about 0.08 per month per customer. Because the need for Petaluma Main District Area customers to call Tomales is more selective, OCMS is being offered. Pacific proposes to offer Petaluma Main District Area customers OCMS in accordance with the rates and conditions set forth in its tariff Schedule No. 149-T and Exhibit C of the application.

Pacific's gross construction costs to provide the proposed services will be \$25,200. Pacific estimates that the annual dollar effect of establishing EAS for Tomales will result in a net loss to the company of \$7,000.

Tomales' subscribers have expressed a desire for toll-free calling to Petaluma since 1963. In 1963, the Tomales members of the Farm Bureau; in 1971, the Tomales Area Community Development Council; and in 1976, the Tomales Volunteer Center and the Superintendent of Schools all formally requested toll rate relief to Petaluma.

In May 1971, Pacific conducted a customer survey of Tomales residence subscribers to determine their interest in EAS to Petaluma. The survey concluded that 81% of the residence subscribers favored this proposal.

Subsequent to its application, Pacific notified all affected customers by mail of their proposal to provide EAS to Petaluma. The notification invited protestants to write to the Commission. The Commission has received three letters in protest all stating they individually had no reason to call Petaluma. Since these were the only protests and the vast majority of the subscribers are in favor of EAS, we conclude that the proposals presented in Application No. 57353 are acceptable to and in the best interests of the community in the Tomales Exchange and that a public hearing is not necessary.

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 is authorized to:

1. Establish one-way non-optional Extended Area Service (EAS) for calls from the Tomales Exchange to the Main District Area of the Petaluma Exchange and concurrently increase monthly exchange rates in the Tomales Exchange as proposed in Appendix B of the application or at such rates as are in effect at the time service commences.

2. Cancel and withdraw message toll telephone rates for calls from the Tomales Exchange to the Main District Area of the Petaluma Exchange.

3. Introduce Optional Calling Measured Service (OCMS) in the Main District Area of the Petaluma Exchange at the rates, charges and conditions as set forth in Schedule Cal. P.U.C. No. 149-T.

4. 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.

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

Dated at San Francisco, California, this 13<sup>th</sup> day of JUNE, 1978.

Robert Batzmaier  
President  
William S. Jones, Jr.  
Henry L. Stuyven  
Richard D. Hoar  
Clair L. Deibel  
Commissioners