

ORIGINALDecision No. 89255 AUG 22 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 Georgetown Exchange to the West District Area of the Placerville Exchange. Pacific Telephone also seeks authority to establish one-way Optional Calling Measured Service (OCMS) from the West District Area of the Placerville Exchange to the Georgetown Exchange.

Application No. 57894
(Filed February 27, 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 Georgetown Exchange to the West District Area of the Placerville Exchange (Placerville-West) and to withdraw message toll telephone service rates now in effect on calls from Georgetown to Placerville-West.

Pacific's Georgetown Exchange has an estimated population of 2,500 and a main station development of about 830. Georgetown is located about 15 miles north of Placerville along State Highway 193 in El Dorado County. Business in Georgetown caters mostly to recreational interests. The major source of goods and services are located in Placerville; however, Georgetown does contain a post office, library, fire department, elementary school and a court of justice.

The Placerville-West Exchange has an estimated population of 35,000 and approximately 11,600 main stations. Placerville is located 45 miles east of Sacramento along U.S. Highway 50 and State Highway 49 and is the County Seat of El Dorado County. The economy of Placerville is based on lumber, cattle and agriculture and employs

many residents from the surrounding communities. Most major shopping, medical and professional services are available in Placerville.

Georgetown's business customers call Placerville-West on the average of 18.2 times per month per customer; the residence customers, 5.7 times per month per customer. This calling is over a 12-mile toll rate route rated at the initial period day station rate of \$0.10 and each additional minute at \$0.06.

Pacific proposes EAS to all Georgetown customers on a one-way non-optional basis. An increase of \$1.75 for basic service for business customers and \$0.60 for residence customers will be added to all customers' present monthly service charge. These increments are based upon a formula devised in the Commission's Decision No. 77311 which specified that the increase be based upon the comparative number of main telephones in the called exchange and the distance between the two exchanges toll rate centers. The increases will be offset by the elimination of the toll charges from Georgetown to Placerville-West.

In August 1977, Pacific undertook a survey of 633 Georgetown business and residence subscribers. The results showed that only 16% of all those surveyed were against the plan as proposed in this application. Placerville-West customers call Georgetown on the average of .42 calls per month per customer. Pacific proposes to offer the Placerville-West customers OCMS in accordance with the rates and conditions set forth in the tariff Schedule 149-T and Exhibit C of the application. Pacific's gross construction costs to provide the proposed services will be \$15,000. Pacific estimates that the annual dollar effect will result in a net loss to the company of \$14,500.

Subsequent to its application, Pacific notified all affected customers by mail of Pacific's proposal to provide EAS to Placerville-West. The notification invited protestants to write to the Commission. The Commission has received 12 letters in protest all stating that they do not call Placerville enough to make up for the proposed increase in their monthly charge. In addition a county supervisor filed a copy of a letter sent to Pacific supporting Pacific's EAS and OCMS application.

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We therefore conclude that the proposals as presented in Application No. 57894 are acceptable to and in the best interests of the community in the Georgetown 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 Georgetown Exchange to the West District Area of the Placerville Exchange and concurrently increase monthly exchange rates in the Georgetown 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 Georgetown Exchange to the West District Area of the Placerville Exchange.

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

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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 21st day of AUGUST, 1978.

Robert Batistoni
President

William Snow
Thomas L. Sturgeon

Commissioners

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

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