

Decision No. 89520 OCT 17 1978**ORIGINAL**

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

Application No. 57895  
(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 Earlimart Exchange to the Delano Exchange and to withdraw message toll telephone service rates now in effect on calls from Earlimart to Delano. Pacific also seeks to establish Optional Calling Measured Service (OCMS) from the Delano Exchange to the Earlimart Exchange.

Pacific's Earlimart exchange has an estimated population of 4,000 and a main station development of about 950. Earlimart is a small agricultural community located on State Highway 99 in the San Joaquin Valley, and 30 miles south of Visalia, its county (Tulare) seat.

Earlimart contains limited shopping facilities, a post office, branch library and schooling through the 8th grade. The major shopping, medical, professional and governmental services are available in Delano.

The Delano Exchange has an estimated population of 20,000 and approximately 5,700 main stations. Delano is located on State Highway 99, 30 miles north of Bakersfield. It is the major trading and service center for the surrounding agricultural area.

Earlimart's business customers call Delano on the average of 15.04 times per month per customer; the residence customers, 9.97 times per month per customer. This calling is over a 9-mile toll rate route rated at the initial period day station rate of \$0.10 and each additional minute at \$0.06.

Pacific proposes extended area service to all Earlimart customers on a one-way, non-optional basis. An increase of \$1.20 for basic service for business customers and \$0.40 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 Earlimart to Delano.

The total number of calls from Delano to Earlimart averages about 4.67 per month per customer. Because this need for Delano customers to call Earlimart customers is more selective, OCMS is being offered. Pacific proposes to offer Delano customers OCMS in accordance with the rates and conditions set forth in its Tariff Schedule No. 149-T and Exhibit C of this application. This plan allows single-party residence customers only, in the Delano Exchange, to purchase 1, 2 or 3 hours of calls per month to Earlimart at a cost of \$1.50 per hour. This charge and time limit applies only between the hours of 8 a.m. to 8 p.m., Monday through Friday. Overtime calls during these hours and days are charged for at \$0.06 per minute. Calls made at all other times and days are not included in the time limit and are not charged for.

Pacific's gross construction costs to provide the proposed services will be \$10,000. Pacific estimates that the annual dollar effect of establishing EAS for the Earlimart Exchange and OCMS for Delano will result in a net loss to the company of \$12,900.

Pacific had not undertaken a customer survey of Earlimart subscribers regarding this EAS proposal but a petition with over 800 signatures had been received requesting this toll free service to Delano.

The California Farm Bureau has also appealed to Pacific's management for EAS between Earlimart and Delano.

Subsequent to its application, Pacific notified all affected customers by mail of Pacific's proposal to provide EAS to Delano. The notification invited protestants to write to the Commission. The Commission has received only one letter in protest. We, therefore, conclude that the proposals presented in Application No. 57895 are acceptable to and in the best interests of the community in the Earlimart 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 Earlimart Exchange to the Delano Exchange and concurrently increase monthly exchange rates in the Earlimart 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 Earlimart Exchange to the Delano Exchange.
3. Introduce Optional Calling Measured Service (OCMS) in the Delano 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 17<sup>th</sup>  
day of OCTOBER, 1978.

William J. Quinn President  
James P. Johnson  
Richard D. Cwale  
Clair J. Dierick  
Commissioners

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