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Decision No. 89719 + DEC 12 1978

ORIGINAL

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 Bangor Exchange to the Oroville Exchange and to withdraw message toll telephone rates now in effect on calls from Bangor to Oroville. Pacific Telephone also seeks authority to establish Optional Calling Measured Service (OCMS) from the Oroville Exchange to the Bangor Exchange.

Application No. 58163
(Filed June 22, 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 Bangor exchange to the Oroville exchange and to withdraw message toll telephone service rates now in effect on calls from Bangor to the Oroville exchange. Pacific also seeks to establish Optional Calling Measured Service (OCMS) from the Oroville exchange to the Bangor exchange.

Pacific's Bangor exchange has a population of approximately 650 and a main station development of about 230. The town of Bangor is located at the southern end of Butte County about 14 miles south of Oroville. Bangor contains two grocery stores, one tavern, lumber and hardware store, elementary school, and local fire department. All other goods and services are available in Oroville. The only employment in Bangor is agriculture-related.

The Oroville exchange has an estimated population of 35,000 and approximately 12,600 main stations. The City of Oroville is located in central Butte County along State Highway 70. Oroville

is the county seat and contains all necessary goods and services, governmental functions, transportation facilities and educational facilities through high school. The major employers are the county government, Oroville Dam, Pacific Coast Producers, Louisiana Pacific Company and hospitals. Bangor business customers call Oroville on the average of 16.06 times per month per customer; the residence customers, 8.54 times per month per customer. This calling is over a 11-mile toll route rated at the initial period day station rate of \$0.10 and each additional minute at \$0.06.

Pacific proposes to provide one-way non-optional EAS from Bangor to Oroville for an incremental rate to be added to the present basic monthly charge. The increase will be \$1.75 for basic service for business customers and \$0.60 for residence customers. 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 Bangor to Oroville.

The total number of calls from the Oroville customers to Bangor averages about 0.17 per month per customer. Because the need for Oroville customers to call Bangor is more selective, OCMS is being offered. Pacific proposes to offer Oroville customers OCMS in accordance with the rates and conditions set forth in its tariff Schedule No. 149-T and Exhibit C of the application. This plan allows single-party residence customers only, in the Oroville exchange, to purchase 1, 2 or 3 hours of calls per month to Bangor 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.

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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 \$9,000. Pacific estimates that the dollar effect of establishing EAS for Bangor will result in a net loss to the company of \$7,700 annually.

This application is in response to several requests by Bangor customers for toll-free calling to Oroville. In 1968 the Bangor Community Club filed an informal complaint with the Public Utilities Commission concerning extended service to Oroville. In 1969 Pacific received a petition signed by over 90% of the Bangor subscribers requesting extended service to Oroville. In March 1977 the Bangor Farm Bureau requested toll-free calling to Oroville.

Pacific in February 1978 surveyed the customers in the Bangor exchange regarding their desire for EAS at higher exchange rates. The survey concluded that 89% of the business customers and 90% of the residence customers favored extended service to Oroville.

Subsequent to its application, Pacific notified all affected customers by mail of Pacific's proposal to provide EAS to Oroville. The notification invited protestants to write to the Commission. The Commission did not receive any letters; we thus conclude that the proposals presented in Application No. 58163 are acceptable to and in the best interests of the community in the Bangor 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 Bangor exchange to the Oroville exchange and concurrently increase monthly exchange rates in the Bangor 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 Bangor exchange to the Oroville exchange.

3. Introduce Optional Calling Measured Service (OCMS) in the Oroville 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 12th day of DECEMBER, 1978.

Robert B. ...
President
William ...
Verizon ...
Charles ...
Clare ...
Commissioners