

Decision No. 89766 - DEC 19 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
 Bradley Exchange to the
 Paso Robles Exchange and
 one-way Optional Calling
 Measured Service (OCMS) from
 the Paso Robles Exchange to
 the Bradley Exchange.

Application No. 58289
 (Filed August 9, 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 Bradley Exchange to the Paso Robles Exchange and to withdraw message toll telephone service rates now in effect on calls from Bradley to the Paso Robles Exchange. Pacific also seeks to establish Optional Calling Measured Service (OCMS) from the Paso Robles Exchange to the Bradley Exchange.

Pacific's Bradley Exchange has a population of approximately 700 and a main station development of about 250. Bradley is located on State Highway 101 at the southern end of Monterey County. The only life support services available are two businesses providing food and automobile repairing. One elementary school is located in Bradley; thereafter, students attend high school in King City to the north. All other services and supplies are available in Paso Robles, 19 miles to the south. The Bradley Exchange also contains the growing recreational development of

Oak Shores on the north shore of Lake Nacimiento southwest of Bradley. Oak Shores depends on Paso Robles for all its needs.

The Paso Robles Exchange has an estimated population of 16,000 and approximately 6,400 main stations. Paso Robles is located along State Highway 101 at the northern end of San Luis Obispo County. It is the principal trading and service center for the surrounding agricultural area. It contains all life support goods and services. Bradley business customers call Paso Robles on the average of 8.16 times per month per customer; the residence customers, 3.4 times per month per customer. This calling is over a 17-mile toll route rated at the initial period day station rate of \$0.16 and each additional minute at \$0.10.

Pacific proposes to provide one-way non-optional EAS from Bradley to Paso Robles for an incremental rate to be added to the present basic monthly charge. The increase will be \$4.00 for basic service for business customers and \$1.35 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 Bradley to Paso Robles.

The total number of calls from the Paso Robles customers to Bradley averages about .11 per month per customer. Because the need for Paso Robles customers to call Bradley is more selective, OCMS is being offered. Pacific proposes to offer Paso Robles 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 Paso Robles Exchange to purchase 1, 2 or 3 hours of

calls per month to Bradley 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 \$18,000. Pacific estimates that the dollar effect of establishing EAS for Bradley will result in a net loss to the company of \$9,600 annually.

In early 1978, Pacific mailed a questionnaire to all Bradley customers to determine how many were in favor of the EAS plan as presented in this application. Seventy-six percent of the residence and business customers responded indicating that between 74% and 80% of all Bradley customers would favor establishment of EAS to Paso Robles.

Subsequent to its application, Pacific notified all affected customers by mail of Pacific's proposal to provide EAS to Paso Robles. The notification invited protestants to write to the Commission. The Commission has received four letters. Two letters expressed the sentiment that they did not want to pay for a service they would not use. Another letter from a resident of the Oak Shores Development stated that the present application did not go far enough in improving their service. The fourth letter was from the Board of Directors of the Oak Shores Community Association agreeing with the aforementioned resident. These were the only protests, and the vast majority of the subscribers expressed no opposition to EAS. Therefore, ✓ we conclude that the proposals presented in Application No. 58289 are acceptable to and in the best interests of the community in the Bradley 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 Bradley Exchange to the Paso Robles Exchange and concurrently increase monthly exchange rates in the Bradley 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 Bradley Exchange to the Paso Robles Exchange.

3. Introduce Optional Calling Measured Service (OCMS) in the Paso Robles 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 19th day of DECEMBER, 1978.

Robert Batimovich
President
William J. ...
Yusuf L. ...
Alfred D. ...
Clair L. ...
Commissioners