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Decision No. 90775 SEP 12 1979

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of General Telephone)
Company of California for cer-)
tificate of public convenience)
and necessity under Section 1001)
of the Public Utilities Code of)
the State of California for)
authority to offer personal sig-)
naling service beyond the)
boundaries of its Pomona, Ontario,)
Redlands and San Bernardino)
Exchanges.)

Application No. 58526
(Filed December 14, 1978)

SECOND INTERIM OPINION AND ORDER

Applicant, General Telephone Company of California (General), has filed a motion requesting an order authorizing it to accept new service orders for its personal signaling (paging) service which would enable it to bring its customer base back up to the existing level attained when frozen by Decision No. 89917 dated January 30, 1979.

As a result of the decision of the California Supreme Court in Industrial Communications Systems, Inc. v Public Util. Com. (1978) 22 Cal 3d 572, which annulled Decision No. 86402 in Case No. 9757, dated September 21, 1976, General filed Application No. 58526 wherein it seeks a certificate of public convenience and necessity for authority to offer personal signaling service beyond the boundaries of its Pomona/Ontario and Redlands/San Bernardino wire line telephone exchanges. General began offering the paging service involved herein without a certificate of public convenience and necessity pursuant to

Commission Decision No. 86402, rehearing and reconsideration denied, Decision No. 86706 dated November 30, 1976. In Industrial (supra) the Supreme Court annulled Decision No. 86706 and held that a certificate of public convenience and necessity was required to the extent that the signal strength contours for its proposed paging service more than incidentally extends beyond its wire line telephone exchange boundaries.

Following the filing of its application for certification of the proposed paging service, General sought an ex parte order authorizing it to continue to offer the paging service pending a hearing on the application. In Decision No. 89917, dated January 30, 1979, we concluded that General could not continue to offer the paging service involved herein to the public without the required certificate of public convenience and necessity. Recognizing, however, that a sudden interruption of paging service to present customers may cause extreme hardship to such customers, we ordered General to serve only its present customers pending an expeditious determination of the application for a certificate.

At the time we issued our interim opinion, we were not unaware of the fact that in freezing the paging service to General's then existing customers, General faced a possible decline in customers and resulting loss of revenue due to normal customer loss without customer replacement pending a determination of its application for a certificate. However, when we issued our interim order, we were primarily concerned with the impact on General's existing customers of an order terminating all paging service as well as the holding in Industrial (supra). Had we ordered General to terminate all service, it would have had an even greater economic impact on General than it is now facing. We consider that our interim order in Decision No. 89917 was just and reasonable then and it still holds true today. We

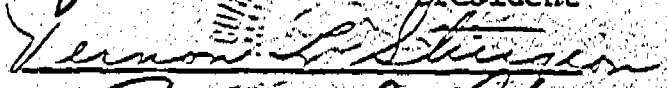
cannot authorize replacement of those customers who have terminated their service in face of the Supreme Court's holding in Industrial (supra), however reasonable is the argument of General, that it intends to augment its customer loss by replacement with customers residing only within its wire line telephone exchange boundaries. The Supreme Court in Industrial (supra) was concerned with the distance that the signal strength contours extended beyond the wire line telephone exchange boundary rather than the residence boundaries of General's customers. Permitting General to replace its lost customers with customers residing within its wire line telephone exchange boundary does not address the basic problem of the overlap of its paging signal strength contour over its wire line telephone exchange boundary which the Supreme Court held to be illegal without a certificate. Public hearings on its application for a certificate have been concluded and a determination in the matter is expected to proceed in an expeditious manner.

IT IS ORDERED that the motion made by General Telephone Company of California authorizing it to accept new service orders for its personal paging service to replace lost customers is denied.

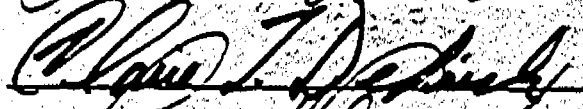
The effective date of this order is the date hereof.
Dated SEP 12 1979, at San Francisco, California.

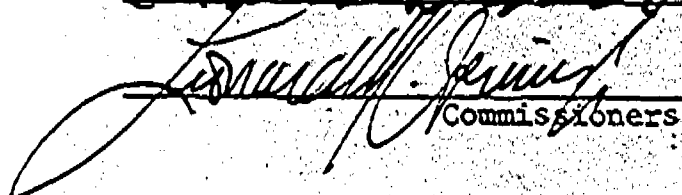


President









Commissioners