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Decision No. 91428

MAR 18 1980

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 Ocotillo  
Exchange to the El Centro Exchange  
and one-way Optional Calling Measured  
Service (OCMS) from the El Centro  
Exchange to the Ocotillo Exchange.

Amended  
Application No. 59055  
(Filed November 13, 1979)

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 Ocotillo exchange to the El Centro exchange and to withdraw message toll telephone service rates now in effect on calls from the Ocotillo exchange to the El Centro exchange. Pacific also seeks to establish Optional Calling Measured Service (OCMS) from the El Centro exchange to the Ocotillo exchange.

Pacific's Ocotillo exchange has a population of approximately 350 and a main station development of about 200. The Ocotillo exchange is located in an arid desert area near the Mexican border about 80 miles east of San Diego. The primary industry is the mining and processing facility of the U.S. Gypsum Company at unincorporated Plaster City. Two other communities, No Mirage and Coyote Wells, contain the majority of the rest of exchange customers. The only services available in Ocotillo are: a small general store, a post office annex, branch library, church, two gasoline stations and two cafes.

The El Centro exchange has an estimated population of 26,000 (plus the resident personnel at the U.S. Naval Air Facility) and approximately 12,120 main stations. El Centro is located in the Imperial Valley to the east of Ocotillo via Interstate 8. El Centro contains all the necessary life support services such as governmental agencies, public transportation, educational facilities, medical services, and other commercial institutions.

Ocotillo business customers call El Centro on the average of 10.58 times per month per customer; the residence customers, 6.10 times per month per customer. This calling is over an 18-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 Ocotillo to El Centro for an incremental rate to be added to the present basic monthly charge. The increase will be \$5.40 for basic service for business customers and \$1.80 for residence customers. These increments are based upon a formula devised in the Commission's Decision No. 77311 (revised by Decisions Nos. 90642 and 90919) 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 Ocotillo to El Centro.

The total number of calls from the El Centro customers to Ocotillo averages about 0.25 per month per business customer and 0.05 per month per residence customer. Because the need for El Centro customers to call Ocotillo is more selective, OCMS is being offered. Pacific proposes to offer El Centro 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 El Centro exchange, to purchase 1, 2, or 3 hours of calls per month to Ocotillo at a cost of \$2.40 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 \$0.10 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 \$16,000. Pacific estimates that the dollar effect of establishing EAS for Ocotillo will result in a net loss to the company of \$3,600 annually.

Subsequent to its application, Pacific notified all affected customers by mail of Pacific's proposal to provide EAS to El Centro. The notification invited protestants to write to the Commission. The Commission has received one letter from an Ocotillo subscriber protesting this application because they do not call El Centro enough times a month to cover the proposed increase in their monthly bill.

This was the only protest; the majority of the subscribers expressed no opposition to EAS. Therefore, we conclude that the proposals presented in Application No. 59055 are acceptable to and in the best interests of the community in the Ocotillo 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 Ocotillo exchange to the El Centro exchange, and concurrently increase monthly exchange rates in the Ocotillo exchange as proposed in Appendix B of the application or at such rates as are in effect at the time service commences.

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2. Cancel and withdraw message toll telephone rates for calls from the Ocotillo exchange to the El Centro exchange.
3. Introduce Optional Calling Measured Service (OCMS) in the El Centro 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 MAR 18 1980, at San Francisco, California.

John E. Bryan President  
Richard L. Stephens  
Richard N. Hoyle  
Samuel M. Smith Commissioners

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