

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE DIVISION
Telecommunications Branch

RESOLUTION NO. T-12080
April 13, 1988

R E S O L U T I O NPACIFIC BELL ORDER AUTHORIZING A CONTRACT TO PROVIDE FARMER
LINE SERVICE TO CHALONE INCORPORATEDSUMMARY

Pacific Bell filed Advice Letter 15369 on March 25, 1988, requesting the Commission to authorize a contract for Farmer Line Service to Chalone Incorporated. Chalone Inc. is located in unfiled territory about 6.7 miles from Pacific Bell's closest facilities in its Soledad Exchange.

Commission authorization is required, pursuant to Section X.A. of G.O. 96-A before the contract can become effective. This resolution authorizes the contract retroactive to January 29, 1988, the date Pacific Bell provided the service.

BACKGROUND

Farmer Line Service is in Cal. P.U.C. No. A5.2.5 of Pacific Bell's tariffs. It is a service furnished in the suburban area of an exchange by use of lines provided, owned and maintained in part by the customers to the service. Such lines usually connect to the utility's facilities at the boundary of the base rate or special rate area. Switching is performed by the utility at its central office.

Chalone Inc. requested telephone service from Pacific Bell several years ago. Pacific Bell elected to not incorporate the unfiled territory surrounding Chalone due to the excessive construction costs required to serve this customer. A broad gauge estimate indicated a cost of \$145,160.00 for extending its facilities 32,528 feet to Chalone. The density in the area was extremely low and Pacific would not be able to recover the initial investment for many years.

Since Chalone was willing to build their own facilities to a mutually agreed upon point in the Soledad Exchange Area, Pacific decided to request permission from the Commission to allow Chalone to build a farmer line under contract. Pacific stated that the farmer line service required a contract because the customer was in unfiled territory. The contract is for an initial term of 5 years. The customer will provide and maintain in operating conditions at all times during the duration of the contract, the telecommunications facilities beyond the point of connection with Pacific's service facilities. The rates and charges are tied to the prevailing rates and charges in Pacific's Farmer Line Tariff, Cal. CPUC No. A5.2.5.

Because of the utilities' history over the last 6 years of furnishing service to customers prior to obtaining a contract, and/or prior to obtaining the Commission's approval as required by Section X.A. of G.O. 96-A, the staff in reviewing the contract asked Pacific Bell if the customer had been provided the service. Pacific admitted it had again made a mistake and allowed the customer to start construction in the summer of 1987 and had issued orders to install the service 3 weeks prior to the signing date. Pacific turned up the service on January 29, 1988, several weeks prior to submitting the contract for staff review. Pacific wanted the contract to be approved by the Commission by April 11, 1988 if possible.

Although this contract is only for basic service the Commission is very concerned about an apparent lack of controls by Pacific Bell to ensure compliance with Section X.A. of G.O. 96-A. Only recently, in Resolution No. T-12048, dated October 16, 1987, the Commission stated the failure on Pacific's part to notify the Commission for fifteen months after the provision of fiber optic service to Bank of America was unacceptable. Pacific Bell must take responsibility immediately to prevent violations of G.O. 96-A from happening again. As in the past and for the same reason as given in Resolution No. T-12048, the Commission will accept Chalone's contract at this time because it would serve no useful purpose to reject it, and it would not be in the best interest of the ratepayers or customer.

FINDINGS

The Commission finds that:

- (1) The Farmer Line Service provided on January 29, 1988 to Chalone was necessary to provide basic access for telephone service.
- (2) The rates charges and conditions of service authorized in this Resolution are just and reasonable. Therefore:

It is ordered that:

- (1) Authority is granted to make the above agreement effective January 29, 1988.
- (2) The agreement authorized herein shall be marked to show that such agreement was authorized under Resolution of the Public Utilities Commission of the State of California No. T-12080.
- (3) The effective date of this Resolution is April 13, 1988.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on April 13, 1988. The following Commissioners approved it:

STANLEY W. HULETT
President
FREDERICK R. DUDA
G. MITCHELL WILK
JOHN B. OHANIAN
Commissioners



Executive Director