

Decision No. 40802

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PUBLIC UTILITIES CALIFORNIA CORPORATION
 a corporation, to establish, maintain
 and operate telephone exchanges at Lake City
 and Eagleville, Modoc County, California, to
 provide and render telephone exchange service in
 said Lake City and Eagleville Exchanges, and to
 file and make effective rates for telephone
 service in said Lake City and Eagleville Ex-
 changes; to change the base rate area of the
 Fort Bidwell Exchange, Modoc County, California,
 to convert to automatic telephone exchange
 service in said Fort Bidwell Exchange, and to
 file and make effective new rates for telephone
 exchange service in said Fort Bidwell Exchange;
 and to change the boundaries of the Cedarville
 Exchange, Modoc County, California, to convert to
 automatic telephone exchange service in said
 Cedarville Exchange, and to file and make effec-
 tive new rates for telephone exchange service in
 said Cedarville Exchange.

ORIGINAL

Application No. 28717

O P I N I O N

Public Utilities California Corporation seeks authority to (1) establish and file rates for exchange telephone service at Lake City and Eagleville, Modoc County; (2) revise the boundaries of the Cedarville exchange area and the Fort Bidwell base rate area, Modoc County; and (3) increase rates for exchange service at Cedarville and Fort Bidwell coincident with the establishment of dial operation with continuous hours of service at the said Cedarville and Fort Bidwell exchanges.

Applicant proposes to expand and to improve its service in the "Surprise Valley" area located approximately 20 miles east of Alturas in Modoc County. This area includes the communities of Lake City, Eagleville, Cedarville, and Fort Bidwell. At the present time Applicant furnishes continuous toll telephone service at Lake City and Eagleville by means of toll stations, and limited-hour exchange service at Cedarville and Fort Bidwell by means of magneto exchange switching equipment.

Applicant proposes to establish two new exchanges, one at Lake City and the other at Eagleville and to furnish these communities exchange service by means of two dial switching equipment units and local distribution systems. Applicant further proposes to replace the magneto limited-hour service at Cedarville and at Fort Bidwell with continuous dial service. Portions of the present Cedarville exchange area are proposed to be transferred to the new Lake City exchange area and to unassigned territory. It is also proposed to relocate the present Fort Bidwell base rate area. The proposed exchange and base rate area boundaries for Lake City, Eagleville, Fort Bidwell, and Cedarville are shown on maps designated Exhibits A, A-1, B, B-1, C, C-1, D, and D-1, respectively, attached to the application.

Toll, information, and miscellaneous services are proposed to be provided through Applicant's Alturas office which will serve as the control office for the dial units at Lake City, Eagleville, Cedarville, and Fort Bidwell. The toll line facilities as rearranged and augmented under the proposal include three trunk circuits between Alturas and Cedarville and individual toll circuits from Cedarville to Fort Bidwell, Lake City, and Eagleville, respectively.

No changes in toll or telegraph service rates will result under the proposal. The charges for toll telephone and telegraph service to and from subscribers within the four exchanges would be in accordance with the bases used by Applicant throughout its Susanville operating area.

Coincident with the provision of continuous dial service at Cedarville and Fort Bidwell, Applicant requests authority to increase rates for business and residence individual and four-party line service \$0.50 per month, to withdraw the offering of farmer line service and, in lieu thereof, to furnish ten-party suburban service. The 32 company subscribers and six farmer line subscribers presently receiving service from the Cedarville exchange and the one company subscriber receiving service from the Fort Bidwell exchange have signed applications indicating their desire for the improved telephone exchange service at the increased rates proposed by Applicant. It is estimated that under the proposed rates, the annual charges for service to present subscribers will be increased approximately \$410 including the effect of upgrading the farmer line subscribers to suburban service.

The proposed rates for exchange service are set forth on Exhibits G, as amended, and H attached to the application. The principal exchange rates may be summarized as follows:

<u>Grade of Service</u>	<u>Rate Per Month - Desk or Hand Set Station for Lake City, Eagleville, Cedarville, and Fort Bidwell.</u>	
	<u>Business Service</u>	<u>Residence Service</u>
One-Party	\$ 3.50	\$ 3.25
Four-Party	2.75	2.50
Ten-Party Suburban	4.00	3.50
Extension	1.25	1.00

A list of 261 applicants including 39 present subscribers who have indicated a desire for telephone service within the four exchanges is shown in Exhibit I attached to the application. These applicants and subscribers are segregated between the exchanges as follows:

<u>Exchange</u>	<u>Applicants and Subscribers</u>		
	<u>Base Rate Area</u>	<u>Suburban Area</u>	<u>Total</u>
Lake City	12	30	42
Eagleville	18	35	53
Cedarville	77	42	119
Fort Bidwell	33	14	47
Total	140	121	261

The Applicant presented in Exhibit J the estimated results of the first year's operations of the combined exchange and toll operation in connection with the four exchanges as follows: investment, \$132,840; revenues, \$30,970; expenses, \$23,305; and net available for return \$7,665. Based upon the company's estimate of investment, revenues, and expenses, the ratio of net available for return to investment in plant is 5.77%.

The establishment of the proposed Lake City and Eagleville dial exchanges and the replacement of the magneto limited service with dial continuous service at Cedarville and Fort Bidwell should substantially increase the efficiency of Applicant's operations in the "Surprise Valley" area and should materially improve existing service.

O R D E R

The Public Utilities Commission of the State of California having considered Applicant's requests, and being of the opinion that a public hearing is not required and that Applicant's requests should be granted, hereby finds as a fact that the establishment of telephone exchanges by Applicant at Lake City and Eagleville and the increases in rates and charges herein authorized at Cedarville and Fort Bidwell are justified; therefore,

IT IS ORDERED that Public Utilities California Corporation may

1. Establish telephone exchanges at Lake City and Eagleville on or before March 31, 1948.
2. File in accordance with General Order No. 96 and make effective in the Lake City, Eagleville, Cedarville, and Fort Bidwell exchanges coincident with the establishment of the Lake City and the Eagleville exchanges and the conversion to dial operation of the Cedarville and the Fort Bidwell exchanges and on not less than five (5) days' notice, the exchange area and base rate area maps and rates for telephone and telegraph service as set forth in Exhibits A, B, C, D, A-1, B-1, C-1, D-1, H, and G as amended to show that continuous hours of service will be furnished within the Cedarville exchange, respectively, attached to the application.
3. Coincident with the conversion to dial operation of the Cedarville and the Fort Bidwell exchanges, withdraw the offering of, and cancel rates for farmer line service at said exchanges.

This Order shall be effective on the twentieth day after the date hereof.

Dated at San Francisco, California, this 10th day of October, 1947.

Harold P. Kule
Justin F. Gairnes
Frank Powell
R. B. [unclear]

Commissioners