

Decision No. 42230

ORIGINAL

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 a telephone exchange at Adin,
 Modoc County, California, to provide
 and render telephone exchange service
 in the Adin exchange, and to file and
 make effective rates for telephone
 service in said Adin Exchange.

Application No. 29712

O P I N I O N

In this application, Public Utilities California Corporation, engaged in the business of operating telephone utility systems in various communities in California, including telephone systems serving in Lassen, Modoc, Plumas, Shasta and Tehama Counties, and known as the "Susanville Operations," seeks authority to establish a telephone exchange and to file rates for exchange service in the town of Adin, Modoc County, to discontinue the present toll station and toll service-station service in the area, to establish an exchange connecting point for toll telephone and telegraph service, and to change the boundary of the Bieber exchange by incorporating part of the present territory of that exchange in the proposed Adin exchange.

The proposed Adin and Bieber exchange areas are set forth in Exhibits A and B-1, respectively. The Adin exchange contains approximately 115 square miles of territory including the town of Adin and surrounding area. The town of Adin is located approximately 29 miles southwest of Alturas. Present telephone service in the area is furnished by means of one toll station, designated "Adin," connected to a metallic toll circuit extending from Alturas, Modoc County, to

Redding. Toll service-stations are switched at this toll station. Under applicant's proposal a new exchange, including a base rate area shown in Exhibit B, will be established and exchange service furnished from 8 a.m. to 8 p.m. on weekdays, and 8 a.m. to 12 noon on Sundays and holidays by means of a magneto switchboard and a local distribution system at Adin. Toll service will be routed through applicant's Alturas office. The application does not contain any plan for augmenting the toll line facilities between Adin and Alturas.

Upon the establishment of the proposed Adin exchange, applicant proposes to serve the existing toll service-station service subscribers on an exchange basis, and to withdraw the offering of said toll service-station service at Adin. Attached to the application as Exhibit F is a list of 50 people who have signed applications for service at Adin. Eleven of the applications are for business service, and 39 are for residence service.

No changes in toll or telegraph service rates will result under the proposal. The charges for toll telephone and telegraph service, to and from Adin exchange subscribers, would be in accordance with the basic toll rates filed by applicant for its Susanville operating area. The proposed rates for exchange service are set forth in Exhibits D and E. The principal exchange rates requested may be summarized as follows:

<u>Grade of Service</u>	<u>Rate Per Month Hand or Desk Set Station</u>	
	<u>Business Service</u>	<u>Residence Service</u>
One-party	\$3.00	\$2.75
Four-party	2.25	2.00
Extension	1.25	1.00
Farmer line	6.00*	6.00*

* Rate per year. Minimum exchange service charge per line shall equal that of five stations.

Wall set service is 25 cents per month less.

It is noted that applicant has not included rates for sub-urban service. If a requirement should develop for this service, the Commission will expect the applicant to offer such service and file appropriate rates.

The applicant presented in Exhibit G the estimated results of the first year's operations of the proposed Adin exchange. Subsequent information was filed as an amendment to the application correcting the figures in Exhibit G and setting forth the estimated results of operations for the proposed Adin exchange under different types of service. The estimated results are summarized in the following table:

	Magneto	Magneto	Common	Common	Dial
	12-Hour	24-Hour	12-Hour	24-Hour	Continuous
	Service	Service	Service	Service	Service
Plant Investment	\$6,001.82	\$6,001.82	\$9,301.82	\$9,301.82	\$26,391.82*
Revenues	4,908.00	5,108.00	4,908.00	5,108.00	5,108.00
Expenses	4,790.00	8,410.00	5,110.00	8,730.00	4,129.00
Net Revenues	118.00	(3,302.00)	(202.00)	(3,622.00)	979.00
Ratio: Net Revenue to Plant Investment	2.0%	(55.0)%	(2.2)%	(39.9)%	3.71%
		(Red Figure)			

* Includes two carrier circuits to Alturas.

The preceding table indicates clearly the desirability of dial operation, because there is no loss under continuous hours of service and because of the two additional circuits to Alturas which should materially improve service on toll calls. However, the application states that magneto service can be provided almost immediately after authorization for establishment of the exchange is granted, while it would take at least a year to obtain dial equipment. To delay establishment of the exchange until dial equipment can be obtained does not appear justified, and the establishment of the exchange with

magneto service will be authorized. However, the following order will require the conversion of the exchange to dial as soon as the dial equipment can be obtained. The toll facilities available to the Adin exchange under the applicant's proposal appear to the Commission to be inadequate, and the applicant will be required to furnish monthly reports of toll performance.

The establishment of the proposed Adin exchange and the rendering of magneto exchange telephone service until dial exchange service can be provided, should substantially improve service in the Adin area.

O R D E R

The Public Utilities Commission of the State of California, having considered applicant's request, and being of the opinion that a public hearing is not required, and that applicant's request should be granted, hereby finds as a fact that the establishment of a telephone exchange by applicant at Adin with the rates and charges herein authorized is justified, therefore,

IT IS HEREBY ORDERED as follows:

1. Applicant may establish a telephone exchange at Adin, on or before March 1, 1949.
2. Applicant shall file, in accordance with General Order No. 96, and make effective in the Adin exchange coincident with the establishment of the exchange, 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, D, and E, respectively, attached to the application.
3. Applicant shall file, in accordance with General Order No. 96, and make effective coincident with the establishment of the Adin exchange, but not on less than five (5) days' notice, the exchange area map for Bieber exchange set forth in Exhibit E-1 attached to the application.

4. Coincident with the establishment of the Adin exchange, applicant may withdraw the offering of and cancel rates for toll service-station service at Adin.
5. Applicant is ordered to proceed immediately to engineer, obtain, and install dial selective ringing equipment in the Adin exchange.

The effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 16th day of November, 1948.

James L. Lugo.
Harold P. Hull,
Harold P. Hull,
Commissioners