

**ORIGINAL**Decision No. 51108

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of The Western Telephone Company, a corporation, for authority to establish, maintain and operate a telephone exchange at Willow Creek, Humboldt County, California, and to provide telephone exchange service in the Willow Creek Exchange Area, which will include the community of Salyer, Trinity County, California, and to file and make effective rates for telephone service in said exchange area.

Application No. 36576

OPINION AND ORDER

The Western Telephone Company, by the above-entitled application filed on December 21, 1954, and as amended on January 27, 1955, requests authority to:

- (1) Establish, maintain and operate a telephone exchange to be known as the Willow Creek exchange in Humboldt and Trinity Counties, within which exchange and toll telephone service will be furnished in lieu of the existing toll station service; and
- (2) To publish, file and make effective rates and maps applicable to telephone service in the proposed Willow Creek exchange.

Applicant is a California corporation furnishing exchange and toll telephone and telegraph service in the counties of Humboldt, Mendocino and Trinity.

Telephone service in the area proposed to be included in the Willow Creek exchange is currently furnished by means of toll station service. The proposed Willow Creek exchange includes the community of Willow Creek in Humboldt County and the community of Salyer in Trinity County. There are presently 18 toll stations located within the proposed exchange area of which four are public pay stations.

Applicant states that it is becoming increasingly cumbersome and inefficient to continue serving the area on a toll station basis due to constantly increasing business activity. The company is holding applications for telephone service in this area which it is unable to complete due to a lack of facilities. To supply current and expected future demand for telephone service in this area on the present toll basis would require the construction of additional facilities from Weaverville, Trinity County, a distance of approximately 49 circuit miles. Applicant plans to install a 100-line unattended dial central office in a newly constructed metal building, located on premises owned by applicant, near the intersection of State Highway 96 and State Highway 299.

The proposed Willow Creek exchange includes the 15 sections now comprising the Willow Creek toll station service area, six of the sections in the Salyer toll station service area, and an additional section not presently included in either area. The proposed boundaries of the Willow Creek base rate and exchange areas are set forth in Exhibits A and B filed herein. Upon establishing the exchange, applicant plans to replace the present 18 toll stations in the area with exchange service.

During April, 1954, applicant surveyed the area and outlined its over-all plans, including its proposed exchange rates, to all potential subscribers. It appears there were no objections made to applicant's proposed rates. As a result of this canvass, applicant has received 36 applications for service within the proposed Willow Creek exchange and 39 applications for toll station service in the Hoopa area.

The rates which applicant seeks authority to establish in the proposed Willow Creek exchange are set forth in Exhibit C

attached to the application as amended and, for principal classifications, may be summarized as follows:

| <u>Classification</u> | <u>Rate per Month</u>    |                         |
|-----------------------|--------------------------|-------------------------|
|                       | <u>Residence Service</u> | <u>Business Service</u> |
| 1-party               | \$5.50                   | \$7.25                  |
| 2-party               | -                        | 6.00                    |
| 4-party               | 4.00                     | -                       |
| Suburban              | 4.50                     | 5.50                    |
| Extension             | 1.50                     | 1.75                    |

Under applicant's plan, toll rates between the proposed Willow Creek exchange and other toll points would remain the same as those presently filed for the Willow Creek toll station service area. Six Salyer toll stations would become Willow Creek exchange stations. Traffic between Salyer and Willow Creek toll stations is light and consequently there would be no appreciable loss in revenue to applicant resulting from the inclusion of the six Salyer toll stations in the proposed exchange. The proposed toll rates are set forth in Exhibit G as amended.

The estimated capital investment occasioned by the establishment of the Willow Creek exchange is \$61,000, segregated as follows:

|                                     |          |
|-------------------------------------|----------|
| Station equipment and installations | \$ 6,000 |
| Land and building                   | 3,000    |
| Outside plant                       | 37,000   |
| Central office equipment            | 15,000   |
| Total                               | 61,000   |

Estimated annual operating expenses for the proposed operation amount to \$16,700, while estimated operating revenues, based upon 103 stations served, amount to \$11,900 annually. Applicant states that although estimated revenues fall short of estimated expenses, it is reasonable to expect an increase in telephone installations shortly after establishment of dial service, because the area is growing rapidly as a result of lumbering activities. Applicant estimates that initially the proposed central office would

serve 103 stations, of which 50 would be Hoopa toll stations and 53 would be Willow Creek exchange stations. Approximately 200 stations are estimated to be served by this exchange at the end of 1956.

There is no other public utility furnishing telephone service in the territory proposed to be included in the Willow Creek exchange.

Applicant plans to proceed to establish the Willow Creek exchange promptly after receipt of authority from this Commission, and states that the effective date will be timed to coincide with the completion of the central office and other necessary work.

The purchase and installation of plant and equipment will be financed with bank loans from Chase National Bank of the City of New York. Such loans were authorized by Decision No. 50187, dated June 29, 1954, in Application No. 35498.

The Commission has considered the above-entitled application as amended and is of the opinion that a public hearing thereon is not necessary and that the granting of the application as amended and as herein provided will not be adverse to the public interest and should result in improved service.

IT IS HEREBY FOUND AS A FACT that the changes in rates and charges authorized herein are justified and that present rates, in so far as they differ from those herein authorized, for the future are unjust and unreasonable; therefore,

IT IS HEREBY ORDERED as follows:

Applicant is authorized to file with this Commission after the effective date of this order and on or before July 1, 1955, in accordance with General Order No. 96, the rates and conditions for exchange and toll telephone service set forth in Exhibits C and G as amended, the maps of exchange and base rate areas set forth in Exhibits A and B, and necessary revisions in its preliminary statement, and on not less than five

days' notice to the Commission and to the public, to make such rates effective for service in the Willow Creek exchange, coincident with the establishment of the dial exchange.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 15<sup>th</sup> day of FEBRUARY, 1955.

John E. Mitchell  
President  
Justin F. Calmes  
Roy L. Interscience  
Wendell Stoley

Commissioners