

Decision No. 51315**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of CITIZENS UTILITIES COMPANY OF	)	
CALIFORNIA, a corporation, for	)	Application No. 36831
authority to establish and operate	)	
a telephone exchange to be known	)	
as PATTON VILLAGE EXCHANGE	)	

OPINION AND ORDER

Citizens Utilities Company of California, a corporation, by the above-entitled application filed March 28, 1955, requests authority to:

1. Establish and operate Patton Village exchange, Lassen County, and to provide and furnish exchange and toll telephone service therein;
2. Revise the boundaries of its Buntingville exchange;
3. Make effective rates, rules, regulations and two deviations for telephone service furnished in Patton Village exchange.

Applicant is a California corporation furnishing exchange and toll telephone and water service in various parts of northern California.

The area proposed for inclusion within the Patton Village exchange is located in the southeast corner of Lassen County. The proposed base rate area is centered approximately 45 air-line miles southeast of Susanville. The proposed exchange area includes a segment of applicant's present Buntingville exchange and a portion of previously unassigned territory east of the present Buntingville exchange. The proposed boundaries of the Patton Village exchange are set forth on a map attached to the application as Exhibit E. The present and proposed revised boundaries of the

Buntingville exchange are set forth on maps attached to the application as Exhibits F and G, respectively.

The United States Army's Sierra Ordnance Depot, a permanent defense establishment, is located within the proposed Patton Village exchange. A civilian housing area commonly called Patton Village lies within the boundaries of the ordnance depot. Telephone service is presently furnished to the area proposed for inclusion within the Patton Village exchange by means of four toll service stations and 12 multiparty limited hour exchange service stations.

Applicant states that Patton Village and adjacent areas have experienced growth since the ordnance depot was established as a permanent base, and that there are approximately 200 housing units for base personnel within or near the depot. Based on commercial surveys and canvasses conducted by applicant it estimates an eventual demand for 150 stations within the proposed exchange area.

Based on its engineering and commercial studies applicant asserts that the most economical and practical method of furnishing telephone service in the proposed exchange is through a step-by-step community dial office located in Patton Village. Under this plan the control or operator office will be the Reno, Nevada, central office of the Bell Telephone Company of Nevada, where all operator functions in connection with originating toll telephone and other traffic requiring the assistance of an operator will be performed.

Applicant states that its present toll station subscribers have agreed to subscribe to Patton Village exchange service in lieu of toll station service. Letters have been received by the Commission from 10 of the 12 subscribers within

the proposed exchange presently receiving Buntingville exchange service indicating their desire for Patton Village exchange service. The remaining two subscribers desire to retain Buntingville exchange service and applicant requests authority to continue such service as a deviation.

The rates which applicant seeks authority to establish in the proposed Patton Village exchange are set forth in Exhibit B attached to the application and, for the principal classifications of service, may be summarized as follows:

<u>Classification</u>	<u>Rates per Month</u>	
	<u>Residence Service</u>	<u>Business Service</u>
1-Party	\$5.75	\$9.00
2-Party	5.00	7.50
4-Party	4.50	-
10-Party Suburban	5.00	6.50

The proposed rates set forth on Exhibit B attached to the application are the same as those currently effective in applicant's Susanville exchange. Applicant proposes that its currently filed rules and regulations applicable to its Susanville exchange be made effective for the proposed Patton Village exchange. The proposed rate center of the Patton Village exchange is the northwest 1/4 of the northeast 1/4 of Section 2, Township 26 North, Range 16 East, Mt. Diablo Base and Meridian.

The estimated plant investment in the proposed Patton Village exchange and the estimated annual revenues and expenses associated with its operation are shown on Exhibit D attached to the application and are summarized as follows:

<u>Item</u>	<u>Amount</u>
Operating Revenue	\$13,251
Operating Expenses and Taxes	11,887
Net Operating Revenue	1,364
Net Plant Investment	117,871
Rate of Return on Investment	1.16%

Applicant states that it anticipates being ready and able to furnish exchange telephone service in the proposed Patton Village exchange on or about April 2, 1955; that it is the only public utility providing telephone service within the proposed exchange area; and that the purchase and installation of the necessary plant and equipment will be financed out of its treasury.

The Commission has considered the above-entitled application and is of the opinion that a public hearing thereon is not necessary and that the granting of the application 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 public convenience and necessity will require the establishment and operation of a telephone exchange by Citizens Utilities Company of California, in Lassen County, in the area set forth in a map attached to the application and marked Exhibit E; and that the increases in rates and charges authorized herein are justified and that present rates, in so far as they differ from those herein prescribed, for the future are unjust and unreasonable; therefore,

IT IS HEREBY ORDERED as follows:

1. Applicant is authorized to file with this Commission after the effective date of this order and on or before June 1, 1955, in accordance with General Order No. 96, the rates, conditions, rules and regulations for toll and exchange telephone services set forth in Exhibit B attached to the application and maps of exchange and base rate areas as set forth in Exhibit E attached to the application, and on not less than five days' notice to the Commission and to the public, to make such rates effective for telephone service in the Patton Village exchange.
2. The proposed revision in the boundary of applicant's Buntingville exchange as set forth in Exhibit G attached to the application is authorized to be made effective coincident with the effective date of the rates for telephone service authorized herein.

3. Applicant is authorized to continue to furnish Buntingville exchange telephone service at the effective rates for such service to Claude Harwood and Clyde Johnson as a deviation from its regularly filed tariffs governing Patton Village exchange service so long as those two subscribers require such service or until further order of this Commission. Applicant shall notify this Commission promptly in writing upon the termination of each of the deviation services.

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

Dated at San Francisco, California, this 12<sup>th</sup> day of April, 1955.

John E. Mitchell  
President  
Justus J. Caswell  
Ralph W. Caswell  
Michael D. Spoley  
Commissioners