

**ORIGINAL**Decision No. 51381

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 an )	
Order Authorizing Abandonment of )	Application No. 34843
Public Utility Telephone Service )	(Amended)
between Likely and Wendel, )	
California. )	

OPINION AND ORDER

Citizens Utilities Company of California, a California corporation furnishing water and telephone service in various portions of northern and central California, filed an application on November 3, 1953 seeking authority to abandon toll telephone service over its toll line between Alturas and Wendel, California and for authority to treat facilities comprising said toll line as property no longer useful or necessary in the performance of its duties to the public.

By an amended application, filed March 21, 1955, applicant requests authority to abandon toll service over this line between Likely and Wendel, California, coincident with the establishment of substitute toll service by The Pacific Telephone and Telegraph Company, and upon such abandonment to transfer and convey the subject toll line to the Southern Pacific Company. In effect, service to the public would not be interrupted but would be provided by another telephone utility.

The toll line sought to be abandoned once constituted a main toll route between Alturas, California, and Reno, Nevada. At the present time the main route for toll messages originating or terminating in the Alturas exchange is by way of a recently installed microwave system between Redding and Alturas. Consequently

the toll line between Likely and Wendel, California, is used by applicant only in the providing of toll telephone service to four unincorporated communities in Lassen County, known as Madeline, Termo, Ravendale and Karlo. Applicant has served nine toll stations in these communities and its records show that between 1,200 and 1,300 toll calls are completed annually from these stations and that such few toll calls have produced an annual revenue loss, before income taxes, of approximately \$4,200. Applicant's records also show that maintenance of this section of line is approximately double the cost of applicant's other telephone lines, since much of the line is available only by rail. Applicant states that the original cost of the toll line was \$59,000 and that it now estimates that it would cost at least \$40,000 to replace such poles and wire as are now in poor condition. Applicant asserts that neither the annual loss which it is presently sustaining nor the expenditures that would be required to rehabilitate the line is in the public interest.

Subsequent to the filing of the original application, it became apparent that there was considerable public opposition to the abandonment of the service provided by the toll line. Consequently, applicant entered into negotiations with The Pacific Telephone and Telegraph Company relative to the latter's furnishing substitute toll service in the affected area, and with the Southern Pacific Company respecting the right of way upon which applicant's toll line is located. These negotiations culminated in letter agreements whose terms are substantially as follows:

- a. With The Pacific Telephone and Telegraph Company.  
By letters, dated July 29, 1954<sup>1</sup> and January 21, 1955<sup>2</sup>, The Pacific Telephone and Telegraph Company

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<sup>1</sup>/ Exhibit A attached to the amended application.  
<sup>2</sup>/ Exhibit B attached to the amended application.

agreed to provide substitute toll station service to the communities of Madeline, Termo, Ravendale and Karlo, which are adjacent to its toll lead passing through such areas, such substitute service to be furnished in accordance with its regularly filed tariffs.

- b. With Southern Pacific Company.  
By letter agreements, dated September 28, 1954<sup>3/</sup> and November 16, 1954<sup>4/</sup> Citizens will convey to the Southern Pacific Company for the sum of \$10 Citizens' toll line between Likely and Wendel, California, and will quitclaim to Southern Pacific Citizens' right of way between Wendel and Likely. The parties further agreed to mutually release and cancel an agreement of February 21, 1910 and all supplements or amendments thereto<sup>5/</sup> concerning the exchange of telephone service for rights of way. The line to be conveyed to Southern Pacific consists of approximately 80 circuit miles of .104-gauge copper wire and approximately 2,400 poles.

On or about January 3, 1955 Citizens advised all interested persons that The Pacific Telephone and Telegraph Company would provide substitute service of the same type and at approximately the same level of rates, and requested that the interested parties indicate their approval of the proposed substitute service and their withdrawal of any objection or protest theretofore made respecting Citizens' request for authority to abandon its service between Likely and Wendel. The interested parties have so indicated their approval and withdrawal of prior protests.<sup>6/</sup>

Upon consideration of the proposals before us, the agreements and approvals of record, and upon the Commission's knowledge of all the circumstances relating to the subject, the Commission

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<sup>3/</sup> Exhibit D attached to the amended application.

<sup>4/</sup> Exhibit E attached to the amended application

<sup>5/</sup> Supplemental agreements dated July 25, 1910, June 15, 1911, May 3, 1913, April 5, 1918, and April 24, 1923.

<sup>6/</sup> The interested parties are Lassen County Board of Supervisors, Lassen County District Attorney, Modoc County District Attorney, California Farm Bureau Federation, Alturas Chamber of Commerce, Lassen County Chamber of Commerce, and subscribers at Madeline, Ravendale and Termo.

finds that the granting of the requests of applicant, as contained in the amended application, will not be adverse to the public interest. The authority sought will be granted; however, the action taken herein shall not be construed to be a finding of the value of the property authorized to be transferred.

The Commission is of the opinion that a public hearing in this matter is not necessary.

IT IS HEREBY FOUND AS A FACT that any increases, in rates or charges for toll telephone service which may result from the relief granted applicant in this matter are justified; therefore,

IT IS HEREBY ORDERED that Citizens Utilities Company of California may, on or after the effective date hereof and prior to December 31, 1955, abandon toll service over its toll line between Likely and Wendel, California, coincident with the establishment of toll service by The Pacific Telephone and Telegraph Company and, subsequent to the abandonment of its toll service, Citizens Utilities Company of California may transfer and convey to Southern Pacific Company the public utility property described in Exhibits D and E attached to the amended application pursuant to the agreements set forth in said exhibits.

IT IS HEREBY FURTHER ORDERED as follows:

1. The rates and rules of Citizens Utilities Company of California pertaining to toll service between Likely and Wendel, now on file with this Commission, shall be canceled and withdrawn effective on the date of abandonment and coincident with the establishment of toll service by The Pacific Telephone and Telegraph Company.

2. On or before the date of actual abandonment, Citizens Utilities Company of California shall refund any and all deposits to which subscribers being transferred to the lines of The Pacific

Telephone and Telegraph Company may be entitled.

3. Citizens Utilities Company of California shall, within thirty days thereafter, notify this Commission in writing of the dates on which abandonments are effected, subscribers transferred to The Pacific Telephone and Telegraph Company and the property transfer, herein authorized, are consummated. Further, applicant shall, within the same period of time, file copies of any and all concluding documents as executed.

IT IS HEREBY FURTHER ORDERED that as of the date the subscribers of Citizens Utilities Company of California are transferred to and served by the toll lines of The Pacific Telephone and Telegraph Company, Citizens Utilities Company of California is relieved of its public utility obligation in providing service to said subscribers.

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

Dated at San Francisco, California, this 26<sup>th</sup> day of APRIL, 1955.

*John L. ...*  
President

*Matthia J. ...*

*Boyle ...*

*...*

Commissioners