

Decision No. 54390**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of  
 Parker Valley Telephone Company, Inc.,  
 an Arizona corporation, for authority  
 to establish rates and charges for  
 exchange and toll telephone service  
 within the portion of its Parker  
 exchange located in the State of  
 California.

Application No. 38574

OPINION AND ORDER

By the above-entitled application filed on November 14, 1956, Parker Valley Telephone Company, Inc., seeks authority under Sections 454 and 491 of the Public Utilities Code to file and make effective, retroactive to October 7, 1956, the proposed telephone rates, charges and conditions set forth in Exhibit C attached to the application, for exchange and toll telephone service within the portion of its Parker exchange located in the State of California.

The application reveals that applicant is an Arizona corporation, and that since October 7, 1956, it has been furnishing exchange and toll telephone service in the incorporated town of Parker and vicinity, Yuma County, Arizona, and in adjacent areas in San Bernardino and Riverside Counties, California. The area which applicant alleges it is serving is set forth on a map attached to the application as Exhibit F. No other public utility is furnishing telephone service in the area.

Applicant states that it is currently furnishing dial exchange service within its Parker exchange to approximately 650 company-owned stations, of which 85 are located in the State of California. It is apparent that applicant established and commenced furnishing telephone exchange and toll service in California prior

to the filing of this application for authority to establish rates for telephone service in this state.

The Commission does not look with favor upon applicant's failure to make timely application for authority to establish rates. More than a year ago this Commission in authorizing Parker Valley Telephone Company to enter into a loan contract with the United States of America, acting through the Rural Electrification Administration, stated:<sup>1/</sup> "In considering this application at this time, however, we are in no way passing on applicant's proposed rates, rules and regulations. In the event we may be called upon to fix rates in the future, we will give consideration at that time to applicant's established and approved investment in its properties and to the terms under which it has financed itself."

A summary of applicant's proposed rates and charges for basic exchange telephone service follows:

<u>Classification</u>	<u>Rate Per Month</u>	
	<u>Business</u>	<u>Residence</u>
1-Party	\$ 8.50	\$5.50
2-Party	6.00	4.25
4-Party	-	3.50
Suburban	4.50	3.50
PEX Trunk	12.75	-

Applicant asserts that the rates it proposes to apply to telephone service furnished in California are the same as those presently in effect in the portion of the Parker exchange located in Arizona, which rates were approved by the Arizona Corporation Commission on April 9, 1956.

In support of its proposed rates, the applicant shows its estimate of the results of operations for the year ending October 31, 1957, in Exhibit A attached to the application, which results are

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<sup>1/</sup> Decision No. 52009, dated October 4, 1955, in Application No. 37119 as amended.

summarized in the tabulation following. Exhibits B, D and E of the application show details supporting applicant's estimates.

	<u>Year Ending October 31, 1957</u>		
	<u>Estimated Operations</u>		
	<u>California</u>	<u>Arizona</u>	<u>Total</u>
Operating Revenues	\$11,850	\$ 78,600	\$ 90,450
Operating Expenses, Depreciation and Taxes	<u>10,575</u>	<u>65,700</u>	<u>76,275</u>
Net Operating Revenues	1,275	12,900	14,175
Average Depreciated Rate Base	62,900	367,900	430,800
Rate of Return	2.03%	3.51%	3.29%

It appears from a review of applicant's proposed Toll Service Schedule set forth on pages 48 and 49 of Exhibit C of the application that additional conditions are required to clarify the applicability of the proposed rates. In addition, rules governing subscriber relations should be filed. The order herein will so provide.

The Commission has considered this matter and is of the opinion that a public hearing thereon is not necessary and that the application should be authorized with modifications as herein provided.

Applicant is admonished that as a public utility it has the responsibility and duty to comply with all applicable laws and regulations in the conduct of its public utility operations in the State of California.

In view of the fact that applicant is now furnishing telephone service without having rates established therefor, it appears that the effective date of this order should be twenty days after the date hereof. Finding that such increases in rates and charges as may result from a granting of this application as herein provided are justified,

IT IS ORDERED that Parker Valley Telephone Company, Inc., is authorized to file in quadruplicate with this Commission after the effective date of this order, in conformity with General Order No. 96, schedules of rates and charges and maps of exchange and base

rate area, as set forth in Exhibits C and F, respectively, attached to the application, except that Schedule No. B-1, Toll Service, shall be modified to include the additional conditions set forth in Appendix A attached hereto, and after not less than five days' notice to this Commission and the public to make said rates effective for service furnished on and after March 1, 1957.

IT IS FURTHER ORDERED that within ninety days from and after the effective date of this order applicant shall file in quadruplicate with this Commission, in conformity with the provisions of General Order No. 96, rules governing subscriber relations reflecting present-day operating practice, together with the current forms that are normally used in connection with customer service.

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 JANUARY, 1957.

*John E. Marshall* President  
*Raymond W. ...*  
*W. H. ...*  
*C. ...*  
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 Commissioners

APPENDIX A

RATES

Schedule No. B-1, Toll Service

SPECIAL CONDITIONS

3. Classes of service consist of station and person service.

- a. Station service is that service under which the person originating the call gives only the telephone number of the station of PBX system desired or the name and address under which the telephone is listed and does not specify a particular person or PBX station to be reached at the called point.

The measurement of the duration of a station call for the purpose of application of rates shall begin at the moment telephone communication is established between the calling station and the called station or PBX switchboard.

- b. Person service is that service under which orders are accepted to establish communication between specified persons, or a particular station reached through a PBX.

The measurement of the duration of a person call for the purpose of the application of rates shall begin at the moment when communication begins with or between the particular person or persons specified in the order, or other party acceptable to the person calling on the PBX station called.

4. Charges for all classes of message toll telephone calls are billed against or collected from the calling telephone except that upon request toll charges on calls may be billed against or collected from the called telephone (i.e., charges may be reversed) if the charges are accepted at the calling station or by special arrangement, the calls are billed against a third party or telephone.