

Decision No. 54208**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 THE PACIFIC TELEPHONE AND TELEGRAPH)
 COMPANY, a corporation, for author-)
 ity to publish, file and place in)
 effect exchange and interexchange)
 rates in an exchange to be desig-)
 nated North Yuba, Yuba County,)
 California.)

Application No. 38846

OPINION AND ORDER

By the above-entitled application filed on February 21, 1957, The Pacific Telephone and Telegraph Company seeks an order of this Commission under Section 489 of the Public Utilities Code to:

1. Establish an exchange to be known as North Yuba with exchange and base rate areas as shown on Exhibit A attached to the application;
2. File and make effective coincident with the establishment of the North Yuba exchange, rates for telephone service as shown on Exhibit C attached to the application;
3. Establish a toll rate center in the North Yuba exchange; and
4. Deviate from Decision No. 41416, dated April 6, 1948, relating to the provision of selective signaling arrangement in said proposed North Yuba exchange.

The application shows that the communities of Oregon House and Dobbins are located in Yuba County some 22 miles southeast of Oroville and about 25 miles northeast of Marysville; that the combined population of the two communities is about 400; that there are about 112 residences and 12 business establishments in the proposed exchange area; that present telephone service in the area consists of seven toll stations on one circuit terminating in the Marysville toll office; that during the past several years applicant has received

individual and group inquiries for better telephone service; and that as a result of a canvass conducted in the area eight business and 57 residence applications for exchange telephone service have been received by applicant.

In order to meet the present and future demands for exchange telephone service in this territory, applicant proposes to establish an exchange to be known as North Yuba, which includes an area of about 33.2 square miles. Two base rate areas are proposed, one for the built-up area of Oregon House located at approximately the center of the proposed exchange, and the other about four miles to the east to encompass the community of Dobbins.

Applicant proposes to construct a central office and provide dial service in the North Yuba exchange. Toll and other traffic requiring assistance of an operator would be furnished from the Marysville exchange. Applicant further proposes to reuse North Electric dial equipment available through replacement in another exchange. It is alleged that this equipment has an ultimate capacity of about 100 lines; is arranged for semi-selective ringing on four-party lines and divided code ringing on suburban lines; and that because of the high cost involved, it would not be practical to modify this equipment to provide full selective ringing on four-party lines and semi-selective ringing on suburban lines. For this reason applicant requests authorization to deviate in this instance from the requirements of Decision No. 41416, dated April 6, 1948, relating to the provision of selective ringing arrangements on company-owned stations served from exchanges converted to dial or placed in service after January, 1949.

The rates which applicant proposes to apply are set forth on Exhibit C to the application and for the principal classifications of exchange service may be summarized as follows:

	<u>Rate Per Month</u>	
	<u>Business Service</u>	<u>Residence Service</u>
Individual line flat rate	\$6.00	\$3.80
Two-party line flat rate	4.75	3.25
Four-party line flat rate	-	2.70
Suburban 10-party line flat rate	4.50	3.20

Applicant does not propose rates for farmer line service and there appears to be no requirement for such service.

Upon the establishment of the proposed North Yuba exchange, applicant proposes to establish a toll rate center within the exchange, the legal description of which is the northeast quarter of the southwest quarter of Section 11, Township 17 North, Range 6 East, Mount Diablo Base and Meridian.^{1/} Applicant also proposes to discontinue all toll stations in the exchange when exchange service becomes available.

Applicant estimates that the necessary construction and installation work can be completed within 24 months and that the entire project will require a gross construction of \$70,600.^{2/} For the first year of operation of the proposed North Yuba exchange, applicant estimates revenues will approximate \$11,000 at the rates it proposes compared with \$20,700 for expenses, taxes and return. Before income taxes and return, the first year expenses are estimated by applicant to approximate \$12,300. Future growth in the area should reduce the indicated first year deficit. However, applicant is placed on notice that in any future rate proceeding this Commission will not burden applicant's other customers in California with any deficiency in rates occasioned by this application.

^{1/} The block and section designation of this toll rate center on the Post Route Map is T 10-f.
^{2/} Exhibit D attached to the application.

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 telephone service. Finding that such increases in rates and charges as will result from a granting of this application are justified and that present rates in so far as they differ from those herein prescribed, upon the establishment of the North Yuba exchange, will be unjust and unreasonable; therefore,

IT IS ORDERED as follows:

1. Applicant is authorized to file with this Commission, after the effective date of this order and on or before December 31, 1958, in accordance with General Order No. 96, the changes in rates, conditions and rules for exchange and toll telephone services as set forth on Exhibit C attached to the application and as discussed above, and maps of proposed exchange and base rate areas substantially as set forth on Exhibit A attached to the application, and after not less than ten days' notice to this Commission and to the public to make said rates effective for telephone service in the North Yuba exchange coincident with its establishment.

2. Applicant is relieved in this instance from the requirements set forth in the sixth paragraph of the order in Decision No. 41416, dated April 6, 1948, with respect to the initial installation of the North Yuba dial central office, provided applicant files with this Commission within sixty days after the effective date of this order a written statement setting forth its plans and estimated date for the introduction of selective ringing in the proposed North Yuba exchange.

3. The authority granted herein will expire unless exercised on or before December 31, 1958.

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

Dated at San Francisco, California, this 9th day of APRIL, 1957.

[Signature]
President
[Signature]
[Signature]
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Commissioners