

ORIGINAL

Decision No. 56532

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)	
authority to discontinue the Browns)	Application No. 39898
Valley exchange and toll rate center)	
and to expand the present Marysville)	
exchange area to include therein the)	
present Browns Valley exchange.)	

OPINION AND ORDER

By the above-entitled application filed on March 12, 1958, The Pacific Telephone and Telegraph Company seeks authorization pursuant to Section 454 of the Public Utilities Code to (1) discontinue Browns Valley exchange and coincident therewith expand Marysville exchange boundary substantially as shown on Exhibit A attached to the application, (2) cancel and withdraw exchange service rates applicable in Browns Valley exchange, and (3) discontinue the Browns Valley toll rate center.

The application shows that Browns Valley is a small rural community located in Yuba County about 13 miles northeast of Marysville; that Browns Valley exchange served 25 company-owned and 19 farmer line telephone stations as of December 31, 1957; that telephone service is provided from 7 a.m. to 10 p.m. daily by means of manual magneto central office equipment operated by an agent; that Marysville exchange, which is contiguous to Browns Valley exchange, serves more than 16,000 telephone stations by means of dial central

office equipment; that Browns Valley is not self-sustaining and depends on Marysville for nearly all essential goods and services; that Marysville service on a foreign exchange basis is presently provided to 14 subscribers in Browns Valley; that applicant has received requests from residents of Browns Valley for inclusion of the area in which they reside within the Marysville exchange; that applicant desires to provide continuous hours of service in Browns Valley and that its studies indicate it would be more economical to consolidate Browns Valley with Marysville than it would be to replace the present Browns Valley magneto switchboard with dial central office equipment. Under applicant's plan, all of the present Browns Valley exchange area and about one-fourth square mile of territory outside any present exchange area would be included in the suburban area of Marysville exchange. Present and future Browns Valley subscribers, under such plan, would receive telephone service at rate levels in effect in the Marysville exchange at the time the consolidation is effected.

Applicant asserts that it made a canvass of its 39 subscribers to Browns Valley service and obtained 38 signed applications for Marysville service in lieu of Browns Valley service, one subscriber indicating that he would discontinue service coincident with any change in telephone serving arrangement.

A comparison of present exchange rates in Browns Valley and in Marysville exchanges for principal classifications of service follows:

	Rate per Month	
	<u>Browns Valley</u>	<u>Marysville</u>
Business Flat Rate Service:		
Individual Line.....	\$5.50	\$8.75
Two-Party.....	4.50	6.75
Suburban.....	4.25	5.25
Farmer Line.....	1.00	2.25
Residence Flat Rate Service:		
Individual Line.....	3.55	4.30
Two-Party.....	3.00	3.50
Four-Party.....	2.45	2.95
Suburban.....	2.95	3.45
Farmer Line.....	.65	1.25

Applicant also proposes to discontinue the Browns Valley toll rate center and to use in lieu thereof the Marysville toll rate center. The effect of this change, applicant asserts, would be to increase toll charges over certain routes and reduce toll charges over other routes up to about 350 miles and to eliminate the present 20-cent initial period station day toll charge between Marysville and Browns Valley.

The application reveals that the estimated over-all effect on charges to telephone users under applicant's plan would be an annual increase in exchange basic service charges of \$1,300 and a decrease in toll charges of \$1,700.

Applicant estimates that consolidation of the two exchanges as compared to conversion of Browns Valley exchange to dial operation will require \$27,000 less additional plant investment and will result in lesser annual costs to it of about \$7,000.

It is the applicant's view that the consolidation of the two exchanges can be accomplished within 18 months after receipt of authorization from the Commission.

The Commission has considered this matter 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 will result in improved telephone service. Finding that the increases in rates and charges authorized herein are justified; that present rates in the Browns Valley area, in so far as they differ from those herein prescribed, upon the consolidation of the Browns Valley and Marysville exchanges, will thereafter for the future be unjust and unreasonable; and that an order should be issued authorizing consolidation of the exchanges; therefore,

IT IS HEREBY ORDERED as follows:

1. Applicant is authorized to file in quadruplicate with this Commission after the effective date of this order and on or before November 1, 1959, in conformity with General Order No. 96, revised tariff schedules with changes in exchange and toll rates, charges and conditions as set forth in Exhibits D and E of the application for the Marysville exchange, and maps of exchange and base rate area revised substantially as set forth on Exhibit A attached to the application and after not less than five days' notice to the Commission and to the public, to make said rates effective for service furnished on and after the consolidation.

2. Coincident with the consolidation of the Marysville and Browns Valley exchanges, applicant is authorized to cancel its present schedules and map effective for telephone service in the Browns Valley area and to discontinue its present Browns Valley toll rate point.

3. The authority granted herein will expire unless exercised on or before November 1, 1959.

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

Dated at San Francisco, California, this 15th day of April, 1958.

John E. Mitchell
President
Paul O. Lintner
William D. ...
E. Lynn Fox
Theodore J. Jenner
Commissioners