

ORIGINAL

Decision No. 56804

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 Fall Creek exchange)
 and toll rate center and to expand the)
 present Hornbrook exchange area to)
 include therein the present Fall Creek)
 exchange.)

Application No. 40019

OPINION AND ORDER

By the above-entitled application filed on April 18, 1958, The Pacific Telephone and Telegraph Company seeks authorization pursuant to Section 454 of the Public Utilities Code to (1) discontinue the Fall Creek exchange and base rate area and coincident therewith expand its Hornbrook exchange in Siskiyou County to include the area now within the Fall Creek exchange as shown on Exhibit A attached to the application, (2) to cancel and withdraw exchange rates applicable in the Fall Creek exchange, (3) discontinue the Fall Creek toll rate center, and (4) continue to furnish toll service-station service on a deviation basis from Irongate No. 1 toll station within the Hornbrook exchange.

Exhibit A, attached to the application, shows that applicant's Fall Creek exchange is located in the north central portion of Siskiyou County and is bounded on the north by the California-Oregon state line, on the west by the Hilt and Hornbrook exchanges, on the south by the Montague exchange and on the east by territory not included within any exchange area. Applicant's tariffs indicate that the Fall Creek exchange is served by means of manual magneto central office equipment and that service is furnished from 7 a.m. to 7 p.m. daily including Sundays and holidays.

However, exchange telephone service has not been furnished in the Fall Creek exchange since January, 1955, when applicant's agent, who operated the magneto switchboard, resigned. Upon the discontinuance of exchange service, applicant established public toll stations to which toll service-station lines were connected to furnish service to subscribers in the area. The toll service-stations connected to the toll stations were authorized on a deviation basis by this Commission's Resolution No. T-2808 dated January 18, 1955. At present there are four such toll service-stations furnished on a deviation basis within the Fall Creek exchange, all served by applicant's public toll station designated Irongate No. 1.

Applicant's Hornbrook exchange which is southwest of the Fall Creek exchange is served by means of dial central office equipment on a continuous hours of service basis. As of February 28, 1958, telephone development in this exchange consisted of 129 company telephones and three service telephones.

Applicant proposes to discontinue the Fall Creek exchange and expand the Hornbrook exchange to include therein the present Fall Creek exchange area as shown on Exhibit A attached to the application. There is no requirement for the Fall Creek base rate area and applicant proposes to eliminate the boundary of this base rate area and include the area within the suburban area of the Hornbrook exchange. The application shows that the four subscribers to toll service-station service on the line connected to Irongate No. 1 toll station have informed applicant that they desire telephone service from the Hornbrook exchange and are contemplating construction of facilities to enable them to obtain Hornbrook farmer line service if the Fall Creek exchange is consolidated with the Hornbrook exchange. Provision of Hornbrook farmer line service in lieu

of toll service-station service will terminate the four deviations. Pending the construction of facilities by the four subscribers, applicant proposes to continue to provide toll service-station service to them within the Hornbrook exchange on a temporary deviation basis.

Under applicant's plan, telephone service to future applicants in Fall Creek will be provided at rate levels in effect in the Hornbrook exchange at the time of the consolidation. A comparison of present rates in Fall Creek and Hornbrook exchanges for principal classifications of exchange service follows:

	<u>Rate per Month</u>	
	<u>Fall Creek</u>	<u>Hornbrook</u>
Business Flat Rate Service:		
Individual line	\$5.50	\$6.00
Two-party line	4.50	4.75
Suburban line	4.25	4.50
Farmer line	1.00	1.25
Residence Flat Rate Service:		
Individual line	3.55	3.80
Two-party line	3.00	3.25
Four-party line	2.45	2.70
Suburban line	2.95	3.20
Farmer line	0.65	0.75

Upon consolidation of Fall Creek and Hornbrook exchanges applicant proposes to discontinue the Fall Creek exchange toll rate center. This will result in increases in message toll telephone rates over some routes and decreases over other routes up to about 350 miles distant. Consolidation of the Fall Creek and Hornbrook exchanges as proposed by the applicant will eliminate message toll telephone rates applicable to toll messages between the two exchanges. It will also make possible the provision of dial service on a continuous hours of service basis to future applicants for exchange service in the Fall Creek area. Since exchange telephone service is not being furnished at present in the Fall Creek exchange its

discontinuance would simplify applicant's records and administration. Applicant asserts that consolidation could be effected within 60 days following the Commission's authorization since it does not involve the construction of any telephone facilities.

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 which will result from the consolidation are justified; that the present rates in the Fall Creek area, in so far as they differ from those herein prescribed upon the consolidation of the Fall Creek and Hornbrook 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 September 1, 1958, in conformity with General Order No. 96, revised tariff schedules with changes in exchange and toll rates, charges and conditions reflecting the consolidation of the Fall Creek and Hornbrook exchanges, and map of exchange 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 Fall Creek and Hornbrook exchanges, applicant is authorized to cancel its present schedules and map effective for telephone service in the Fall Creek exchange area and to discontinue its present Fall Creek toll rate center.
3. Applicant is authorized to continue to furnish toll service-station service on a deviation basis from the toll station designated Irongate No. 1 within the Hornbrook exchange until Hornbrook farmer line service is furnished to the four existing toll service-station subscribers.

4. The authority granted herein will expire unless exercised on or before September 1, 1958.

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

Dated at San Francisco, California, this 9th day of June, 1958.

W. E. Mitchell
President

E. Fox

Theodore Jenner

Commissioners