

Decision No. 57657

ORIGINAL

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 authority to convert
 its Buntingville Exchange to dial service,
 to move the toll rate center from
 Buntingville to Janesville to change the
 name of such exchange to "Janesville
 Exchange", to establish a base rate area
 therein, and establish rates similar to
 those in the adjoining exchanges.

Application No. 40565

OPINION AND ORDER

Citizens Utilities Company of California, a corporation,
 by the above-entitled application filed on November 3, 1958, requests
 the Commission, pursuant to Sections 491 and 701 of the Public
 Utilities Code, to issue its order ex-parte authorizing:

1. The conversion of the Buntingville exchange located in Lassen County to dial service, with the same offerings of service as now in effect in the Susanville and Herlong exchanges.
2. The moving of the toll rate center from the present location at Buntingville to Janesville.
3. The changing of the name of Buntingville exchange to Janesville exchange.
4. The establishment of a base rate area in the proposed Janesville exchange.
5. The establishment of rates corresponding to those in the Susanville and Herlong exchanges.

Applicant is a California corporation furnishing exchange and toll telephone and water services in various parts of northern California.

Applicant presently furnishes limited hour multi-party magneto manual exchange service to approximately 180 subscribers in its Buntingville exchange. The Buntingville exchange is bordered on the north by applicant's Susanville dial exchange and on the south by applicant's Herlong dial exchange. The principal community within the present Buntingville exchange is located at Janesville, approximately two miles to the northwest of Buntingville.

In the interest of improving telephone service in the Buntingville area, applicant proposes:

1. To convert the Buntingville exchange to dial service on or about December 27, 1958, with the same offerings of service as now in effect in the Susanville and Herlong exchanges.
2. To move the toll rate center from its present location at Buntingville to Janesville.
3. To change the name of the Buntingville exchange to Janesville exchange.
4. To establish a base rate area therein.
5. To establish rates corresponding to those in the Susanville and Herlong exchanges.

The boundaries of the proposed Janesville exchange and the base rate area are shown on a map attached to the application as Exhibit D. It appears from the application that applicant recently contacted all of the 180 present Buntingville subscribers and all but five subscribers have signed a written statement indicating their desire for improved dial telephone service and their willingness to pay rates, for the improved service, equal to the rates paid for similar service in the adjoining Susanville and Herlong exchanges.

A comparison of present and applicant's proposed monthly rates for principal classifications of exchange service follows:

<u>Service</u>	<u>Monthly Rate</u>	
	<u>Present</u>	<u>Company-Proposed</u>
<u>Business</u>		
1-party	\$ -	\$9.00
2-party	-	7.50
Suburban 10-party	-	7.00
Unlimited multi-party	4.00	-
<u>Residence</u>		
1-party	-	5.75
2-party	-	5.00
4-party	-	4.50
Suburban 10-party	-	5.00
Unlimited multi-party	3.00	-

- Indicates service not offered.

Applicant estimates that with the higher grades of service elected by present subscribers in Buntingville and under its proposed rates, present Buntingville exchange subscribers will pay annually approximately \$6,400, or 35 per cent more for the improved dial telephone service than under the present rates and unlimited multi-party magneto service. A portion of such estimated increased charges is expected to result from increased toll usage under the improved service.

The application shows that the moving of the toll rate center from Buntingville to Janesville will have but little effect on rates since both locations are in the same rate block (R-11-S) and the most frequently called points from Buntingville exchange are Susanville and Herlong where no toll rate change is involved.

A comparison of estimated revenues, expenses and investment under present rates for present magneto manual limited hours of service and under applicant's proposed rates with dial service and establishment of base rate area may be summarized as follows:

	<u>Present</u>	<u>Proposed</u>
Revenues	\$18,320	\$ 24,690
Expenses and taxes	18,430	24,040
Net Revenue	(110)	650
Net Plant Investment	36,530	160,480
Rate of Return on Investment	Loss	0.4%

(Red Figure)

Under applicant's plan, all physical plant in the Buntingville exchange will be replaced with the exception of a relatively small amount of poles and wire. Applicant asserts that it does not anticipate any change in the present static growth pattern of the area and that since Buntingville exchange is large and sparsely settled, the per-station investment and cost of operation is necessarily higher than in most of applicant's other exchanges.

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 service. We hereby find as a fact that the increases in rates and charges authorized herein are justified and that present rates and charges in so far as they differ from those herein prescribed, for the future upon establishment of dial service at Janesville are unjust and unreasonable.

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 March 31, 1959, in accordance with General Order No. 96, the changes in rates for exchange telephone services set forth on Exhibit F attached to the application and map of exchange and base rate area of Janesville exchange as set forth on Exhibit D attached to the application, and on not less than three days' notice to the Commission and to the public to make such rates effective for telephone service furnished on and after conversion of such exchange to dial service as discussed above.

2. The proposed relocation of the toll rate center from Buntingville to Janesville and change in name of Buntingville exchange to Janesville exchange is authorized to be made effective coincident

with the effective date of the rates for telephone service authorized in Ordering Paragraph 1 above.

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

Dated at San Francisco, California, this 2nd day of December, 1958.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners