

ORIGINALDecision No. 60295

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 CALIFORNIA INTERSTATE TELEPHONE COMPANY,
 a corporation, for authority to increase,
 adjust, decrease and withdraw certain of
 its rates and charges for telephone
 service in its service territory, and
 for certain interim relief.

Application No. 42012

Best, Best & Krieger, by James H. Krieger and
Glen E. Stephens, for applicant.
Marge Bergmann, for Petitioners from Victor Valley
 and C. Gerald Hasty, for Mono County Chamber
 of Commerce; protestants.
J. J. Deuel and Ralph Hubbard, for California Farm
 Bureau Federation; Bert L. Lunceford, for
 City of Barstow; and Neal C. Hasbrook, for
 California Independent Telephone Association;
 interested parties.
Cyril M. Saroyan and Jean Balcomb, for the Commission
 staff.

INTERIM OPINIONApplicant's Request

California Interstate Telephone Company filed the above-entitled application on March 7, 1960 seeking an immediate interim increase in rates as set forth in Exhibit D of the application. Applicant estimates that its requested interim rates will yield additional annual gross revenues of \$452,450, or an overall increase in revenues of 8.9 percent, based on the test year ending March 31, 1960. Some \$431,250 of the requested interim increase is in local service revenues and the balance, or \$21,200, is in toll service revenues. Requested interim increases in basic business rates range up to 115 percent while requested interim increases in basic residence rates range up to 61 percent. The overall increase

requested in local service revenues approximates 28 percent.

Applicant states that it proposes to file an amendment to this application in the near future seeking an additional increase of \$260,000 over and above its interim request of \$452,450.

Public Hearing

After due notice, public hearing was held before Examiner William W. Dunlop on May 2 and 3, 1960 at Victorville. Applicant presented exhibits and testimony through six witnesses in support of its interim request. Two late-filed exhibits requested of applicant at the hearing have been received. The Commission staff cross-examined applicant's witnesses, presented a preliminary financial report on this applicant, and presented testimony through one witness.

Six public witnesses testified principally concerning telephone service difficulties in various areas of Mono County, Victorville, and Hesperia. These witnesses also generally expressed opposition to the increases requested. One of these witnesses referred to a petition, in opposition to applicant's request, filed with the Commission containing the signatures of over 400 persons generally residing in the Hesperia area.

At the conclusion of the second day of hearing applicant moved for an immediate interim increase of \$452,000 pending its filing of an amended application for additional increases, further public hearing and final disposition of the proceeding. Following oral argument, applicant's motion was taken under submission and the hearing was adjourned to a date to be set.

The representative of the California Farm Bureau Federation did not oppose the granting of some interim rate relief. He expressed the view that unless some interim rate relief is granted present subscribers would not be properly served and waiting

applicants would be denied service. He saw a need for extensive hearings at various locations on applicant's system before final submission of the proceeding. He also characterized some of the requested interim increases in rates as "impossible".

This opinion and order will deal solely with applicant's motion for immediate interim rate increases totaling \$452,000.

Applicant's Operations

Applicant is a California corporation furnishing exchange and toll telephone service as a public utility in various areas in the Counties of Alpine, Inyo, Kern, Los Angeles, Mono, Tulare, and San Bernardino in the State of California and in portions of the State of Nevada. Currently applicant serves in excess of 24,000 telephones through 24 exchanges, 22 of which are located in California and 2 in Nevada. Applicant also operates extensive toll lines extending from San Bernardino northward to Bridgeport and from Carson City, Nevada, southward to Coleville.

This utility has experienced a rapid growth. Its depreciated plant has increased from \$7,880,140 as of March 31, 1954 to \$22,928,010 as of February 29, 1960, or an increase of 191 percent in approximately six years.

Applicant's Showing

The testimony reveals that applicant has greatly accelerated its construction program in order to meet the service requirements on its system; that currently applicant is holding over 1,500 orders for service; that the construction budget for the two year period ending March 31, 1962 will result in net additions to plant of \$12,588,600, or an increase in plant of 72 percent; and that currently applicant is spending \$500,000 per month to meet its

obligations to the public for expanded and better service. The testimony further reveals that applicant's current earnings of 62 cents per share are not sufficient to cover current annual common stock dividends of 70 cents per share; that if additional shares of common stock were sold under current earning conditions it would be prejudicial not only to existing shareholders but in the long run to telephone subscribers because a higher cost of money would result; and that applicant is unable to issue additional bonds because current earnings are not $2\frac{1}{2}$ times interest coverage as required by the existing bond indenture. It further appears from the testimony that applicant has outstanding with Bank of America \$2,500,000 of short-term debt; that applicant recently has negotiated an amendment to its loan agreement with Bank of America permitting short-term borrowings up to \$4,250,000; that such additional short-term borrowings will be completely absorbed by about the end of July 1960; and that the short-term borrowings must be paid in full before the end of 1960. In view of this situation an officer of the utility testified that immediate interim rate relief of \$452,000 is absolutely essential to attract capital to enable applicant to continue its construction and service program to the public.

The last general rate increase involving applicant's service area was granted applicant's predecessor, Interstate Telegraph Company, effective on and after March 1, 1953.^{1/} The rates authorized at that time were designed to permit a rate of return of approximately 6.18 percent on a depreciated rate base. Applicant points to increasing costs of labor, materials, taxes, and heavy increases in plant in a high cost period as reasons

^{1/} Decision No. 48230, dated February 2, 1953.

for an estimated decline in its rate of return on total California operations from 6.26 percent for the year ended March 31, 1959 to an estimated 5.22 percent for the year ended March 31, 1960, 5.11 percent for the year ended March 31, 1961, and 4.85 percent for the year ended March 31, 1962 under present rates.

Earning Results

A summary of the earning results presented by applicant in Exhibits F and J under present rates for its total California operations is as follows:

<u>Item</u>	<u>12 Months Ending March 31</u>			
	<u>1959 Recorded</u>	<u>1960 Estimated</u>	<u>1961 Estimated</u>	<u>1962 Estimated</u>
Operating Revenues	\$ 4,153,534	\$ 4,733,000	\$ 5,594,000	\$ 6,750,000
Operating Expenses and Taxes	<u>3,252,930</u>	<u>3,792,114</u>	<u>4,419,230</u>	<u>5,346,750</u>
Net Revenue	900,604	940,886	1,174,770	1,403,250
Rate Base (Depreciated)	14,376,990	18,013,000	22,984,500	28,960,000
Rate of Return	6.26%	5.22%	5.11%	4.85%

Although applicant's facilities are used in the furnishing of exchange, intrastate toll, and interstate toll service, applicant did not show the results of its total California operations separated between intrastate and interstate operations.^{2/}

Applicant did, however, present in Exhibit E certain separations of its total California operations for the 12 months ended March 31, 1959 as follows.^{3/}

<u>Item</u>	<u>12 Months Ended March 31, 1959</u>				
	<u>Exchange</u>	<u>Intra- Company Toll</u>	<u>Private Line And TWX</u>	<u>Inter- Company Toll</u>	<u>Total California Operations</u>
Oper. Revenues	\$1,377,618	\$ 248,641	\$ 465,043	\$2,062,232	\$ 4,153,534
Oper. Expenses and Taxes	<u>1,105,266</u>	<u>217,613</u>	<u>310,742</u>	<u>1,613,297</u>	<u>3,246,918</u>
Net Revenue	272,352	31,028	154,301	448,935	906,616
Avg. Net Plant and Wk. Capital	6,130,964	1,467,440	1,467,001	5,708,213	14,773,618
Rate of Return	4.44%	2.11%	10.52%	7.86%	6.14%

^{2/} The Commission in California Interstate Telephone Company, 56 CPUC 215, (Decision No. 56430, dated April 1, 1958) stated: "Applicant is again placed on notice that in rate proceedings the Commission will require it to submit in evidence separated results of exchange and interstate and intrastate toll operations."

^{3/} The record does not contain a reconciliation between applicant's separation study and its recorded results for the 12 months ended March 31, 1959.

The above results for the 12 months ended March 31, 1959 do not reflect the increases in certain non-recurring service connection and move and change charges authorized by Decision No. 59276, dated November 17, 1959. Such increases became effective January 1, 1960 and are estimated to yield additional annual revenues of \$33,300 based on the level of business for the 12 months ended March 31, 1959.

The above exchange category is wholly intrastate while the intracompany toll, private line and TWX and intercompany toll categories include interstate as well as intrastate operations. The extent and earning level of applicant's intrastate operations and of its interstate operations are not revealed in this record. Applicant cannot look to this Commission to recover any deficiencies in its earnings on its interstate operations through increases in its intrastate rates.

With respect to intercompany toll, applicant settles with The Pacific Telephone and Telegraph Company on a cents-per-message basis rather than on a cost basis. Intercompany intrastate toll traffic involving applicant's lines flows at a higher level of rates than generally obtains for other intrastate traffic. No such rate differential applies on interstate toll traffic.

For property additions since December 31, 1953 applicant has claimed liberalized depreciation on its Federal income tax returns pursuant to the provisions of the 1954 Revenue Act. The tax savings resulting from utilizing liberalized depreciation has

been placed in a deferred credit account which, as of February 29, 1960, amounted to \$428,558 for the company as a whole. In its earning estimates, applicant has added to income the same return on funds held in the deferred credit account for liberalized depreciation as it earned on the rest of its operations. An officer of the utility testified that applicant has decided to abandon further use of liberalized depreciation for Federal income tax purposes.

Also with respect to Federal income tax, applicant has claimed as deductions ad valorem taxes which became a lien on its property on the first Monday in March of the income tax year, rather than the amount of ad valorem taxes applicable to that year. Applicant has accrued in a reserve account, as of February 29, 1960, some \$369,801. Such amount is sufficient, according to applicant, to offset amounts of additional Federal income taxes which the utility would be required to pay if its claim for deductions of the additional amounts of ad valorem taxes were not accepted by the internal revenue service.

Applicant in its earning estimates did not add to income for the reserve related to ad valorem taxes as it did for the reserve related to liberalized depreciation.

While the Commission staff did cross-examine applicant's witnesses particularly as related to the interim request and did present one preliminary financial report dealing with applicant's total California and Nevada operations using applicant's own estimates, the staff had not completed its independent study and

investigation of this utility and accordingly did not present evidence as to its estimates of applicant's operations. It should be understood that while company figures are shown herein, the Commission is not necessarily accepting these figures except as information in connection with this interim proceeding.

Findings and Conclusions

The evidence is convincing and we so find that applicant is in urgent need now of some interim relief, but not to the extent sought, in order to maintain its service and to proceed with its program to meet the telephone service requirements of the public in this fast-growing area of the State. We are impressed with the service inadequacies testified to by members of the public and the magnitude of the improvement program being undertaken by applicant. We find it to be in the public interest to maintain applicant in a reasonably sound financial condition so that it may discharge its obligations as a public utility.

The record reveals applicant's earnings on its exchange and intracompany toll operations to be low. Applicant's requested increase of some \$18,300 in intracompany toll rates we find to be justified at this time. With respect to exchange operations, we find an increase in revenues of \$201,600 based on the test year ended March 31, 1959, in addition to the increase in non-recurring charges of \$33,300 which became effective January 1, 1960 as previously mentioned, to be justified at this time. Such an increase in exchange revenues applied to applicant's exchange operations for the 12 months ended March 31, 1959 will produce a rate of return on such exchange operations of approximately 6.2 percent based upon applicant's showing.

A comparison of the increases in annual revenues authorized by the order herein with those requested by applicant based on the test year ended March 31, 1959 is set forth as follows:

Schedule No.		Annual Increase	
		Requested	Authorized
A-1	Base Rate Area Service	\$284,806	\$151,000
A-3	Semi-Public Telephone Service	3,682	1,400
A-4	Mileage Rates	6,535	-
A-5	Suburban Service	41,362	30,600
A-6	Manual PBX Service	33,883	9,500
A-7	Automatic PBX Service	1,897	1,900
A-8	PBX Trunking Facilities	(6,428)	2,900
A-10	Tie Line Service	248	-
A-11	Multiple Line Key Cabinet Service	184	200
A-14	Directory Listings	941	-
A-15	Supplemental Equipment Service	2,084	2,100
A-16	Foreign Exchange Service-Contiguous	397	-
A-18	Joint User Service	1,381	900
A-35	Key Telephone Service	996	1,000
A-36	Key System Service	156	100
B-1	Toll Service	18,318	18,300
G-1	Private Line Telephone Service	259	300
Total		\$390,701	\$220,200

(Reduction)

For typical classes of basic residence and business service under Schedule No. A-1 there is shown below a comparison of present rates with those sought by applicant and those authorized by the order herein.

Base Rate Area	Rate Per Month								
	Residence Service						Business Service		
	1-Party			4-Party			1-Party		
	Pres- ent	Re- quest.	Autho- rized	Pres- ent	Re- quest.	Autho- rized	Pres- ent	Re- quest.	Autho- rized
Alpine	\$4.40	\$5.75	\$5.50	\$2.95	\$4.15	\$3.70	\$6.75	\$12.90	\$ 8.45
Barstow	5.60	6.90	6.90	4.10	5.00	5.00	8.25	15.10	10.35
Benton Station	4.40	5.75	5.50	2.95	4.15	3.70	6.75	12.90	8.45
Big Bear Lake	5.60	5.75	5.75	4.10	4.15	4.15	8.25	12.90	10.35
Big Pine	4.40	5.75	5.50	2.95	4.15	3.70	6.75	12.90	8.45
Bishop	5.60	5.75	5.75	4.10	4.15	4.15	8.25	12.90	10.35
Boron	4.40	5.75	5.50	2.95	4.15	3.70	6.75	12.90	8.45
Bridgeport	4.40	5.75	5.50	2.95	4.15	3.70	6.75	12.90	8.45
Coleville	4.40	5.75	5.50	2.95	4.15	3.70	6.75	12.90	8.45
Crowley Lake	4.40	6.60	5.50	2.95	4.75	3.70	6.75	14.50	8.45
Independence	4.40	5.75	5.50	2.95	4.15	3.70	6.75	12.90	8.45
June Lake	5.60	6.60	6.60	3.80	4.75	4.75	8.15	14.50	10.25
Kernville	4.40	5.75	5.50	2.95	4.15	3.70	6.75	12.90	8.45
Lee Vining	4.40	6.60	5.50	2.95	4.75	3.70	6.75	14.50	8.45
Lone Pine	4.40	5.75	5.50	2.95	4.15	3.70	6.75	12.90	8.45
Mammoth Lakes*	5.60	6.60	6.60	3.80	4.75	4.75	8.15	14.50	10.25
Newberry	4.40	5.75	5.50	2.95	4.15	3.70	6.75	12.90	8.45
Pine Creek	4.40	5.75	5.50	2.95	4.15	3.70	6.75	12.90	8.45
Randsburg	4.40	5.75	5.50	2.95	4.15	3.70	6.75	12.90	8.45
Ridgecrest	5.60	6.60	6.60	4.10	4.75	4.75	8.75	14.50	11.00
Running Springs	4.40	5.75	5.50	2.95	4.15	3.70	6.75	12.90	8.45
Trona	5.60	5.75	5.75	4.10	4.15	4.15	8.25	12.90	10.35
Victorville	5.60	7.50	7.05	4.10	5.40	5.15	8.75	16.45	11.00
Wrightwood	5.60	5.75	5.75	4.10	4.15	4.15	8.25	12.90	10.35

* Special Rate Area

With respect to the service inadequacies testified to by members of the public, we shall expect applicant to thoroughly investigate each specific incident and at future hearings on this application to present a complete report setting forth its findings and remedial action taken.

We shall require applicant to prepare and file a separation study of its total California operations between intrastate and interstate categories with the intrastate category further separated among exchange, intracompany toll, private line and TWX, and inter-company toll. Such a separation will be required for the year ended March 31, 1960 or other appropriate recent past or future test period, and for each test period to be relied upon by applicant in this proceeding for the establishment of final rates.

We find, therefore, 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 are unjust and unreasonable.

INTERIM ORDER

Public hearing having been held on the above-entitled application, motion for immediate interim rate increases having been taken under submission, the Commission having been informed thereon, and based upon the evidence and the findings and conclusions contained in the foregoing interim opinion,

IT IS ORDERED as follows:

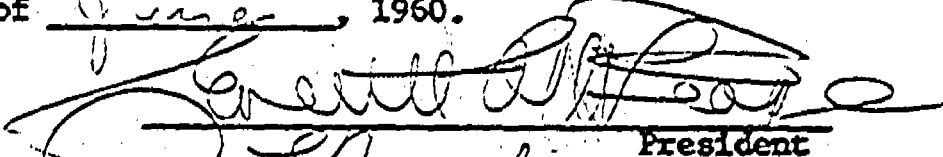
1. Applicant is authorized to file in quadruplicate with this Commission, on or after the effective date of this order and in conformity with the provisions of General Order No. 96, revised

tariff schedules with rates and charges modified as set forth in Appendix A attached to this order and, on not less than five days' notice to the public and to the Commission to make said revised tariffs effective for all service rendered on and after July 15, 1960.


2. On or before December 31, 1960 applicant shall file with this Commission a study showing separation of its plant, revenues, and expenses applicable to total California operations between intrastate and interstate categories, the intrastate category further separated among exchange, intracompany toll, private line and TWX, and intercompany toll. Such separation study shall be for the year ended March 31, 1960 or other appropriate recent past or future test period, as well as for each test period to be relied upon by applicant in this proceeding for the establishment of final rates.


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

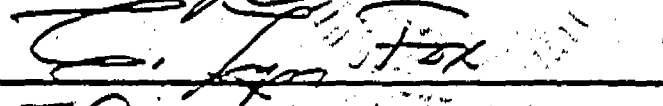
Dated at San Francisco, California, this 20th day of June, 1960.

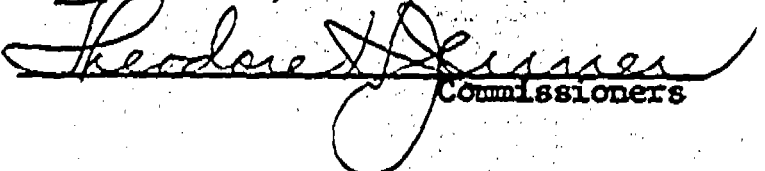


 President









 Commissioners

APPENDIX A
Page 1 of 7

RATES

The presently effective rates, charges and conditions are changed as set forth in this appendix.

Schedule No. A-1, Individual and Party Line Service

The following monthly rates are authorized:

	Each Primary Station Monthly Rate					
	BUSINESS SERVICES			RESIDENCE SERVICES		
	Indi- vidual Line	Two- Party Line	Four- Party Line	Indi- vidual Line	Two- Party Line	Four- Party Line
<u>MULTI-OFFICE EXCHANGES</u>						
Crowley Lake						
Crowley Lake Base Rate Area.....	\$ 8.45	\$ 7.05	\$5.90	\$ 5.50	\$ 4.75	\$3.70
Mammoth Lakes Special Rate Area.....	10.25	8.15	-	6.60	5.85	4.75
Lee Vining						
June Lake Base Rate Area.....	10.25	8.15	6.65	6.60	5.85	4.75
Lee Vining Base Rates Area.....	8.45	7.05	5.90	5.50	4.75	3.70
Ridgecrest.....	11.00	9.15	8.05	6.60	5.85	4.75
Victorville.....	11.00	9.15	8.05	7.05	6.30	5.15
<u>SINGLE OFFICE EXCHANGES</u>						
Barstow	10.35	8.85	7.70	6.90	6.10	5.00
Big Bear Lake, Bishop, Trona and Wrightwood.....	10.35	8.85	7.70	5.75	5.10	4.15
All Other Exchanges.....	8.45	7.05	5.90	5.50	4.75	3.70
Each Extension Station.....				<u>BUSINESS</u> \$2.00	<u>RESIDENCE</u> \$1.35	

Schedule No. A-3, Semi-Public Telephone Service

The following daily minimum charges and monthly extension station rates are authorized:

<u>Exchanges</u>	<u>Minimum Charge Per Day</u>
Each individual line coin box station	
Barstow, Big Bear Lake, Bishop, Ridgecrest, Trona, Victorville and Wrightwood.....	\$0.35
All Other Exchanges.....	.31
Each Extension Station.....	<u>Monthly Rate</u> \$2.00

APPENDIX A
Page 2 of 7

RATES (Continued)

Schedule No. A-5, Suburban Service

The following monthly rates are authorized:

	<u>Each Primary Station</u>			
	<u>0-1½</u> <u>Miles</u>	<u>1½-1½</u> <u>Miles</u>	<u>1½-2½</u> <u>Miles</u>	<u>2½-35</u> <u>Miles</u>
<u>MULTI-OFFICE EXCHANGES</u>				
Crowley Lake				
Crowley Lake				
Business Services.....	\$5.90	\$6.65	\$7.35	\$ -
Residence Services.....	3.70	4.75	5.50	-
Mammoth Lakes				
Business Services.....	6.65	7.35	-	-
Residence Services.....	4.75	5.50	-	-
Lee Vining				
June Lake				
Business Services.....	6.65	7.35	-	-
Residence Services.....	4.75	5.50	-	-
Lee Vining				
Business Services.....	5.90	6.65	7.35	-
Residence Services.....	3.70	4.75	5.50	-
Ridgecrest				
Business Services.....	7.60	8.40	9.15	-
Residence Services.....	4.95	5.85	6.55	-
Victorville				
Business Services.....	7.65	8.40	9.15	-
Residence Services.....	5.15	6.30	7.05	-
<u>SINGLE OFFICE EXCHANGES</u>				
Barstow				
Business Services.....	7.35	8.10	8.85	-
Residence Services.....	5.15	6.10	6.85	-
Big Bear Lake, Bishop, Trona and Wrightwood				
Business Services.....	6.60	7.30	8.00	-
Residence Services.....	4.30	5.10	5.70	-
Lone Pine				
Business Services.....	5.90	6.65	7.35	8.60
Residence Services.....	3.70	4.75	5.50	6.75
All Other Exchanges				
Business Services.....	5.90	6.65	7.35	-
Residence Services.....	3.70	4.75	5.50	-
Each Extension Station.....		<u>BUSINESS</u> \$2.00	<u>RESIDENCE</u> \$1.35	

Schedule No. A-6, Manual Private Branch Exchange Service

The following monthly rates are authorized:

(1) Manual Equipment Rates	<u>Monthly Rate</u>
Cordless Type Switchboard	
3 trunks and 10 station lines.....	\$ 8.85
4 trunks and 16 station lines.....	11.40
Cord Type Switchboard	
Non-multiple: 40 lines or less.....	20.00
41 to 80 lines.....	25.00
Over 80 lines.....	35.00
Multiple, each position.....	51.60

APPENDIX A
Page 3 of 7

RATES (Continued)

(2) Trunk Rates:

	<u>Monthly Rate</u>	
	<u>Each Trunk</u>	
	<u>Business</u>	<u>Residence</u>
<u>MULTI-OFFICE EXCHANGES</u>		
<u>Crowley Lake</u>		
Crowley Lake Base Rate Area	\$12.50	\$ 8.25
Mammoth Lakes Special Rate Area.....	15.25	9.75
<u>Lee Vining</u>		
June Lake Base Rate Area.....	15.25	9.75
Lee Vining Base Rate Area.....	12.50	8.25
Ridgecrest.....	16.50	9.75
Victorville.....	16.50	10.50
<u>SINGLE OFFICE EXCHANGES</u>		
Barstow.....	15.50	10.20
Big Bear Lake, Bishop, Trona and Wrightwood	15.50	8.50
All Other Exchanges.....	12.50	8.25

(3) Station Rates:

	<u>Monthly Rate</u>			
	<u>Hotels</u>		<u>Business Services</u>	<u>Residence Services</u>
	<u>In Rooms</u>	<u>Not in Rooms</u>		
Each ordinary wall, or hand set station	\$1.35	\$2.00	\$2.00	\$1.35
Each key or pushbutton hand set station	4.00	4.00	4.00	4.00

(4) Isolated Power Plant Rates:
(Applicable to installations of isolated power plants in connection with manual private branch exchange systems located outside of the base rate areas or special rate area.)

	<u>Monthly Rate</u>
Battery power supply.....	\$12.00
Ringin power supply.....	2.50

Schedule No. A-7, Automatic Private Branch Exchange Service

The following monthly rates are authorized:

	<u>Monthly Rate</u>
(1) <u>Switching Equipment Rate:</u> Automatic switching unit complete with attendant's cabinet, equipped for 20 station lines, 4 intercommunicating lines and 5 trunks.....	\$55.00
(2) <u>Mechanical Equipment Rates:</u>	
Common equipment (2 digit).....	50.00
Common equipment (Over 2 digit).....	75.00
Each connector, each selector.....	3.85
Each selector-connector.....	3.85
Each attendant's, each intercepting and each vacant level dial trunk (between mechanical equipment and switchboard).....	1.25
(3) <u>Station Rate:</u>	
Each wall or handset station:	
Equipped with push keys to answer or hold a maximum of three lines	4.00
Equipped with grounding key.....	2.20
Ordinary business extension telephone.....	2.00
Ordinary residence extension telephone.....	1.35

APPENDIX A
Page 4 of 7

RATES (Continued)

Schedule No. 11, Multiple Line Key Cabinet Service

The following monthly rates are authorized:

	<u>Monthly Rate</u>
Cabinet, including attendant's handset telephone each position	
Equipped for 6 lines.....	\$ 2.90
Operator's set in lieu of handset.....	1.50
Each multiple line to another cabinet.....	1.25
Each intercommunicating line between cabinets.....	1.25
Business extension.....	2.00
Common equipment per system.....	11.75

Schedule No. A-15, Supplemental Equipment Service

The following monthly rates are authorized:

	<u>Monthly Rate</u>
Bells:	
Each ordinary ringing bell.....	\$ 0.65
Each ordinary ringing bell with switch.....	1.15
Each loud ringing bell or chime.....	1.15
Each loud ringing bell or chime with switch.....	1.70
Booths, each.....	2.50
Buzzer Circuits:	
Buzzer circuit including one push button, one buzzer, power supply equipment and 50 feet or less of circuit wiring.....	.50
Each additional buzzer with or without push button.....	.50
Handset:	
For the hard-of-hearing (See Conditions 7 and 8).....	2.25
For use in noisy locations (See Conditions 7 and 8).....	2.25
Head Receivers:	
Each head receiver and six foot receiver cord in addition to or in place of standard head receiver:	
Single head receiver.....	.50
Double head receiver.....	1.00
Industrial Signal:	
Each relay and special ringing unit.....	2.00
Intercommunicating Line Equipment:	
Local talking circuit including battery and 50 ft. of wire	.50
Keys:	
Key (installed in addition to station).....	.50
Holding key with associated release equipment:	
Holding key for two trunks.....	2.00
Holding key for three trunks.....	2.75
Key (installed in lieu of station).....	2.00
Switchboard Telephone.....	2.00
Automatic Answering and Recording Equipment.....	19.00

APPENDIX A
Page 5 of 7

RATES (Continued)

Schedule No. A-16, Foreign Exchange Service - Between Contiguous Exchanges
The following primary service monthly rates are authorized:

(1) Primary Service Rates:		MONTHLY RATE				
		Each Primary Station				
		Service in Adjacent Exchanges				
		Individual Line	Two-Party Line	Four-Party Line		
<u>FOREIGN EXCHANGE</u>						
<u>MULTI-OFFICE EXCHANGES</u>						
	Crowley Lake	Business	\$ 8.45	\$ 7.05	\$5.90	
		Residence	5.50	4.75	3.70	
	Lee Vining					
	June Lake Base Rate Area	Business	10.25	8.15	6.65	
		Residence	6.60	5.85	4.75	
	Lee Vining Base Rate Area	Business	8.45	7.05	5.90	
		Residence	5.50	4.75	3.70	
	Ridgecrest	Business	11.00	9.15	8.05	
		Residence	6.60	5.85	4.75	
	Victorville	Business	11.00	9.15	8.05	
		Residence	7.05	6.30	5.15	
<u>SINGLE OFFICE EXCHANGES</u>						
	Barstow	Business	10.35	8.85	7.70	
		Residence	6.90	6.10	5.00	
	Big Bear Lake, Bishop, Trona, and Wrightwood	Business	10.35	8.85	7.70	
		Residence	5.75	5.10	4.15	
	All Other Exchanges	Business	8.45	7.05	5.90	
		Residence	5.50	4.75	3.70	
 (B) Suburban Service						
<u>MULTI-OFFICE EXCHANGES</u>						
	Crowley Lake	Business	0-1 $\frac{1}{2}$ Miles	1 $\frac{1}{2}$ -11 $\frac{1}{2}$ Miles	11 $\frac{1}{2}$ -21 $\frac{1}{2}$ Miles	21 $\frac{1}{2}$ -35 Miles
		Residence	\$5.90	\$6.65	\$7.35	\$ -
	Lee Vining					
	June Lake	Business	6.65	7.35	-	-
		Residence	4.75	5.50	-	-
	Lee Vining	Business	5.90	6.65	7.35	-
		Residence	3.70	4.75	5.50	-
	Ridgecrest	Business	7.60	8.40	9.15	-
		Residence	4.95	5.85	6.55	-
	Victorville	Business	7.65	8.40	9.15	-
		Residence	5.15	6.30	7.05	-
<u>SINGLE OFFICE EXCHANGES</u>						
	Barstow	Business	7.35	8.10	8.85	-
		Residence	5.15	6.10	6.85	-
	Big Bear Lake, Bishop, Trona, and Wrightwood	Business	6.60	7.30	8.00	-
		Residence	4.30	5.10	5.70	-
	Lone Pine	Business	5.90	6.65	7.35	8.60
		Residence	3.70	4.75	5.50	6.75
	All other exchanges	Business	5.90	6.65	7.35	-
		Residence	3.70	4.75	5.50	-

APPENDIX A
Page 6 of 7

RATES (Continued)

Schedule No. A-18, Joint User Service

The following monthly rates are authorized. Each joint user service in connection with local service in exchanges is as follows:

	Rate per Month		
	Crowley Lake & Lee Vining	Ridgecrest	Victorville
<u>MULTI-OFFICE EXCHANGES</u>			
Individual Line Service.....	\$3.60	\$4.15	\$4.30
Two-Party Line Service.....	3.10	3.65	3.75
Four-Party Line Service.....	2.75	3.30	3.45
Suburban Service.....	2.85	3.45	3.60
Private Branch Exchange Service..	5.40	5.70	5.75
Intercommunicating System Service	5.40	5.70	5.75
<u>SINGLE OFFICE EXCHANGES</u>			
	Big Bear Lake, Bishop, Wrightwood & Trona	Barstow	All Other Exchanges
Individual Line Service.....	3.75	4.30	3.20
Two-Party Line Service.....	3.25	3.80	2.70
Four-Party Line Service.....	3.00	3.45	2.45
Suburban Service.....	3.00	3.60	2.40
Private Branch Exchange Service	5.00	5.75	4.70
Intercommunicating Sys. Service	5.00	5.75	4.70

Schedule No. A-35, Key Telephone Service

The following monthly rates are authorized:

	Monthly Rate
Each additional key telephone.....	\$4.00
Ordinary business extension.....	2.00
Ordinary residence extension.....	1.35

Schedule No. A-36, Key System Service

The following monthly rates are authorized:

Pushbutton or other key operated relay or switching equipment:	
(1) Capacity three trunks and nine lines.....	\$16.00
(2) Each key or pushbutton dial handset station.....	4.00

APPENDIX A
Page 7 of 7

RATES (Continued)

Toll Service Schedule No. B-1

The rates shown on the following Toll Service Schedule No. B-1 are authorized:

(a) Rate Table No. 1

MILEAGE	R A T E DAY, AND NIGHT AND SUNDAY							
	STATION SERVICE				PERSON SERVICE			
	Paid		Collect		Paid and Collect			
	Initial	Overtime	First 3 Mins.	Each 3 Mins. After	First 3 Mins.	Each 3 Mins. After	First 3 Mins.	Each 3 Mins. After
0 - 8	.10-3 m	.05-2 m	.30	.10	.05	.35	.10	.05
9 - 12	.15-3 m	.05-1 m	.30	.10	.05	.40	.10	.05
13 - 16	.20-3 m	.05-1 m	.30	.10	.05	.45	.15	.05
17 - 20	.25-3 m	.05-1 m	.30	.10	.05	.50	.15	.05

	STATION SERVICE				PERSON SERVICE		
	Day (Except Sunday)		Night and Sunday		Day and Night and Sunday		
	First 3 Mins.	Each Add. Min.	First 3 Mins.	Each Add. Min.	First 3 Mins.	Each 3 Mins. After	Each 3 Mins. After
21 - 25	.30	.10	.30	.10	.55	.15	.10
26 - 30	.35	.10	.35	.10	.65	.20	.10
31 - 35	.40	.10	.40	.10	.70	.20	.10
36 - 40	.45	.15	.45	.15	.80	.25	.15
41 - 50	.50	.15	.50	.15	.90	.30	.15
51 - 60	.60	.20	.50	.15	1.10	.35	.20
61 - 70	.70	.20	.60	.20	1.25	.40	.20
71 - 80	.75	.25	.65	.20	1.35	.45	.25
81 - 90	.80	.25	.70	.20	1.45	.45	.25
91 -110	.90	.30	.75	.25	1.60	.50	.30
111 -130	.95	.30	.80	.25	1.70	.55	.30
131 -150	1.00	.30	.85	.25	1.80	.60	.30
151 -175	1.05	.35	.90	.30	1.90	.60	.35
176 -200	1.10	.35	.95	.30	2.00	.65	.35
201 -225	1.15	.35	1.00	.30	2.05	.65	.35
226 -250	1.20	.40	1.00	.30	2.15	.70	.40
251 -275	1.25	.40	1.05	.35	2.25	.75	.40
276 -300	1.30	.40	1.10	.35	2.35	.75	.40
301 -330	1.35	.45	1.15	.35	2.45	.80	.45
331 -360	1.40	.45	1.20	.40	2.50	.80	.45
361 -395	1.45	.45	1.25	.40	2.60	.85	.45
396 -430	1.50	.50	1.25	.40	2.70	.90	.50
431 -470	1.55	.50	1.30	.40	2.80	.90	.50
471 -510	1.60	.50	1.35	.45	2.90	.95	.50
511 -550	1.65	.55	1.40	.45	2.95	.95	.55
551 -590	1.70	.55	1.45	.45	3.05	1.00	.55
591 -630	1.75	.55	1.50	.50	3.15	1.05	.55
631 -685	1.80	.60	1.55	.50	3.25	1.05	.60

Schedule No. G-1, Private Line Telephone Service

Increases in monthly rates for the following services are authorized, with new rates as shown:

Station Equipment Charges:

	Monthly Rate
1. Wall or handset station	\$2.00
2. Handset station with push-to-talk switch....	2.25
3. Signaling key.....	.50