ds

Decision No. _____61188_____          ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )
ROY McDONNELL, doing business as )
HORNITOS TELEPHONE EXCHANGE, for )
authority to:   (1) Establish the )
Mt. Bullion exchange area within )
a portion of the existing Hornitos )
exchange area, (2) Establish a Mt. )          Application No. 42535
Bullion base rate area and (3) )
Establish rates for exchange tele- )
phone service within the proposed )
Mt. Bullion exchange area. )
                                   )

Roy McDonnell, applicant.
Ralph Hubbard, for California Farm Bureau Federation;
    Neal C. Hasbrook, for California Independent Tele-
    phone Association, interested parties.
John E. Brown, for the Commission staff.

O P I N I O N

By this application, filed August 3, 1960, Roy McDonnell

(Hornitos Telephone Exchange) seeks authority to establish a Mt.

Bullion exchange within a portion of the existing Hornitos telephone

exchange in Mariposa County.

After due notice, public hearing in the matter was held

before Examiner F. Everett Emerson on October 25, 1960 in San

Francisco.

Applicant is currently furnishing exchange and toll tele-

phone service within an area of about 180 square miles in Mariposa

County. He proposes to divide the area, because of geographic,

topographic and community of interest factors, into two areas

whereby approximately 154 square miles of territory would remain

in applicant's Hornitos exchange and the remaining area would be

transferred into a new exchange to be known as Mt. Bullion.

-1-

The proposed new exchange primarily would serve a strip-like territory, along State Highway 49 from the community of Mt. Bullion to that of Bear Valley, in which exchange telephone service is not presently rendered. A small portion of the proposed area, to the east of the highway, lies within the Coulterville exchange of The Pacific Telephone and Telegraph Company. This company has agreed to relinquish such area to applicant.

Applicant proposes to install a 60-line, all relay switchboard at Mt. Bullion and initially to serve 41 subscribers with dial service therefrom. Service will be on a continuous basis. A base rate area is proposed for the community of Mt. Bullion. Both urban and suburban grades of exchange telephone service are to be provided. The basic rates proposed are as follows:

| Type or Grade of Service | Rate Per Month |
|---|---|
| Business Service: | |
| 1-Party Line | $6.50 |
| 2-Party Line | 5.10 |
| Suburban 10-Party Line | 4.85 |
| Residence Service: | |
| 1-Party Line | 4.15 |
| 2-Party Line | 3.35 |
| 4-Party Line | 2.75 |
| Suburban 10-Party Line | 3.25 |
| Farmer Line Service: | |
| Business | 1.30 |
| Residence | .80 |

Toll rates between the Mt. Bullion exchange and any other point will be the filed rates of the connecting company for message toll telephone service. The toll rate between Mt. Bullion and Hornitos for a station call will be 15¢ for the first 3 minutes; for such a call between Mt. Bullion and Mariposa the rate will be 10¢.

Applicant has estimated that his new plant investment will approximate $13,410 and that including this amount in his total plant devoted to telephone operations will produce a depreciated rate base of about $30,000. Net earnings, assuming the Mt. Bullion exchange in full-year's operation, are estimated to be approximately $1,000. On such assumptions, applicant would earn a rate of return of about 3-1/3 percent.

In view of the evidence, the Commission finds and concludes that applicant should be authorized:

(1)  To establish the Mt. Bullion exchange area;

(2)  To establish a Mt. Bullion base rate area; and

(3)  To establish rates for exchange telephone
      service within the Mt. Bullion exchange, as
      proposed.

The Commission further finds that any increases in rates or charges which may result from the establishment of the Mt. Bullion exchange are justified and that present rates, insofar as they differ from those hereinafter authorized, are for the future unjust and unreasonable.

O R D E R

Based upon the record made in this proceeding and the findings and conclusions contained in the foregoing opinion,

IT IS HEREBY ORDERED as follows:

1.  Applicant is authorized to establish a Mt. Bullion exchange area with boundaries which shall be as set forth in Exhibit No. 1 in this proceeding, to revise the boundary of the Hornitos exchange accordingly, and to file revised tariff maps delineating the same.

2.  The Pacific Telephone and Telegraph Company is directed to revise the boundary of its Coulterville exchange so as to accommodate the establishment of the Mt. Bullion exchange as hereinabove authorized.

3. 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, the schedules of rates for exchange telephone service which will reflect those charges set forth in Exhibit No. 3 in this proceeding, to revise existing tariffs to the extent necessary to be consistent with the revision of the Hornitos exchange and, on not less than five days' notice to the public and to this Commission, to make said tariffs effective for exchange telephone service on such date as exchange telephone service is rendered in the Mt. Bullion exchange.

4. Coincident with the establishment of the Mt. Bullion exchange and the tariffs hereinabove authorized, applicant shall establish a base rate area with boundaries as set forth in Exhibit No. 2 in this proceeding and shall file tariff maps showing such base rate area.

5. Applicant is authorized to establish a toll rate center for the Mt. Bullion exchange in the southeast quarter of the southwest quarter of Section 7, Township 5 South, Range 18 East, M.D.B. & M., coincidental with the establishment of the tariffs hereinabove authorized.

6. The Secretary is directed to serve a copy of this opinion and order upon The Pacific Telephone and Telegraph Company.

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

Dated at _____ San Francisco _____, California, this 13th day of ꓸꓷꓸꓷꓷꓷ, 1960.

President

-4-

Commissioners