

ORIGINAL

Decision No. 65071

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
 THE SISKIYOU TELEPHONE COMPANY, a }
 California corporation, for author- }
 ity to increase rates for intra- }
 company message toll telephone }
 service. }

Application No. 45028
 (Filed December 14, 1962)

O P I N I O N

By this application, The Siskiyou Telephone Company seeks authority to increase its rates for intracompany message toll telephone service through concurrence in and adoption of the California Schedule "A", intrastate message toll telephone service rates and conditions, of The Pacific Telephone and Telegraph Company.

Applicant furnishes automatic dial exchange telephone service to approximately 1,550 company-owned stations in four exchange areas from four central offices located at Etna, Fort Jones, Hamburg, and Happy Camp, California. Message toll telephone service is furnished by applicant between all of its exchanges, between all of its exchanges and its Sawyers Bar toll station service area, and between all of its exchanges, toll station service area and Yreka over its own toll facilities. Toll service to points beyond Yreka is provided through interconnection with the toll facilities of The Pacific Telephone and Telegraph Company at Yreka, California.

By interim Decision No. 64070, dated August 7, 1962, in Application No. 43876, and by supplemental order, Decision

No. 64114, dated August 14, 1962, applicant was authorized, among other things, to increase its Hamburg and Happy Camp exchange rates up to the level of the exchange rates charged in the Fort Jones and Etna Exchanges. In Decision No. 64070 we stated, in part:

The increased revenue which will result from such interim order should produce a rate of return less than the 3.1% rate of return recommended by the staff. We conclude, however, that it would not be reasonable to authorize at this time any further increase in exchange rates when applicant's intracompany toll rates are so substantially below the rates of Pacific Company for similar service. Furthermore, it would not be proper to increase applicant's intracompany toll rates as there is nothing in the record as to the revenue effect of such an increase. We also conclude that it would not be reasonable to urge the inclusion of applicant's intracompany toll traffic in the cost toll settlement with Pacific Company until such rates are equalized. Such an increase in intracompany toll rates could be initiated by the filing of a supplemental application for authority to concur in Pacific Company toll rates through the filing of a toll service schedule, including an adoption notice, in lieu of present rates.

Applicant's present tariff schedule No. B-1, Toll Service, provides rates for person service only, whereas the proposed schedule No. B-1, Message Toll Telephone Service, attached to the application as Exhibit G, provides rates for both station and person service. A comparison of the present and proposed rates, Exhibit F, indicates that for station service the changes in rates for a 3-minute station-to-station call may range from a 5-cent decrease to a 10-cent increase, depending upon the mileage involved. For person-to-person service, increases for a 3-minute call will range from 20 cents to 55 cents, depending upon the mileage involved.

Applicant estimates that the annual increase in charges to customers which would result from the proposed rates would be \$5,683, of which \$1,895 would increase the gross revenue of

applicant. The difference between these figures of \$3,700 would accrue to the Pacific Telephone and Telegraph Company as the traffic between applicant's points and Yreka, although transmitted wholly over toll facilities of applicant, is considered interchanged traffic for the purposes of settlement.

Exhibit C, attached to the application, presents results of operation for the year 1962 at both present and proposed toll rates. For separated operations, it is indicated that, at present toll rates, intracompany toll operations sustain a net operating loss of \$5,243, whereas at proposed toll rates such net operating loss would be reduced to \$4,274. For total operations, a rate of return of 3.04 percent is indicated at present toll rates, and 3.14 percent at proposed toll rates.

Concurrently herewith, we are today issuing a final order in Application No. 43876 in which we find a rate of return on total operations of 3.14 percent for the test year 1962 to be fair and reasonable for applicant and we adopt the same finding herein. Accordingly, applicant's request to increase its rates for intracompany toll service will be granted.

We find that the increases in rates and charges authorized herein are justified, that the rates and charges authorized herein are reasonable, and that the present rates and charges, insofar as they differ from those herein prescribed, are for the future unjust and unreasonable.

We have considered the application and we find, in the circumstances, that a public hearing is not required.

O R D E R

IT IS ORDERED that:

The Siskiyou Telephone Company is authorized to file with this Commission, after the effective date of this order and in conformity with General Order No. 96-A, the schedules of rates attached to this order as Appendix A and, upon not less than five days' notice to the Commission and to the public, to make such rates effective for service rendered on and after April 12, 1963.

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

Dated at San Francisco, California, this 12th day of MARCH, 1963.

George H. Grover
President

Robert S. [unclear]

Robert W. [unclear]

Frederick B. Holbrook

William W. Bennett
Commissioners

APPENDIX A

Schedule No. B-1

MESSAGE TOLL TELEPHONE SERVICEAPPLICABILITY

Applicable to message toll telephone service furnished or made available by this Company between its points and between its points and points reached over facilities of connecting companies.

TERRITORY

Between points within the State of California where the respective rate centers of such points are located in said state.

RATES

TOLL SERVICE ADOPTION NOTICE

The Siskiyou Telephone Company assents to, adopts and concurs in the tariffs of The Pacific Telephone and Telegraph Company listed below, together with amendments thereto and successive issues thereof, and hereby makes itself a party thereto until this authority is revoked by cancellation of this adoption notice, for the purpose of furnishing all intrastate message toll telephone service thereunder originated at or terminated at a point of this Company.

1. Schedule Cal. P.U.C. No. 53-T, Message Toll Telephone Service - Rates and Conditions, except that California Schedule "A" rates apply to messages transmitted between points connected by interexchange facilities owned or operated by The Siskiyou Telephone Company.
2. Schedule Cal. P.U.C. No. 56-T, Interexchange Mileage and Rate Guide - Part I & II.
3. Schedule Cal. P.U.C. No. 58-T, Post Route Map.
4. Schedule Cal. P.U.C. No. 89-T, Message Toll Telephone Service - Toll Rate and Route Guide General Regulations.
5. Schedule Cal. P.U.C. No. 90-T, Message Toll Telephone Service - Toll Rate and Route Guide for the State of California.
6. Schedule Cal. P.U.C. No. 91-T, Message Toll Telephone Service - Toll Rate and Route Guide Appendix - Intrastate Rate Center - Block Information for Certain Connecting Company Points.
7. Schedule Cal. P.U.C. No. 92-T, Message Toll Telephone Service - Supplement to Toll Rate and Route Guide for State of California.
8. Schedule Cal. P.U.C. No. 96-T, Message Toll Telephone Service - Location of Rate Centers.