

**ORIGINAL**

Decision No. 65463

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of Parker Valley Telephone Company, Inc.,  
an Arizona corporation, for authority to:

) Application No. 44998  
) (Filed December 5, 1962)

1. Establish three exchanges.
2. Establish two base rate areas.
3. Increase rates for intrastate message toll telephone service.

E. Floyd Ross, for applicant.  
D. H. Brooks, for Colorado River Telephone Company,  
interested party.  
Eugene S. Jones, for Commission staff.

O P I N I O N

Public hearing was held before Examiner Patterson in this matter at Gene Camp, California, near Parker Dam, on February 27, 1963, and it was submitted subject to receipt of late-filed Exhibit 1 to correct certain figures contained in Exhibit D attached to the application. Said exhibit was received on March 20, 1963, and the matter is now ready for decision.

Parker Valley Telephone Company, Inc., an Arizona corporation, presently furnishes automatic dial exchange telephone service to approximately 125 stations in San Bernardino and Riverside Counties, California, and 900 stations in Arizona from three central offices located at Parker Dam, California, and Parker and Poston, Arizona. Message toll telephone service is furnished by applicant over its own lines and through interconnection with the lines of the Pacific Telephone and Telegraph Company at Blythe, California.

By this application applicant seeks authority to divide its present exchange area in California into three exchanges to be known as the Earp exchange, Havasu exchange, and Parker Dam, California exchange. Under the proposal the base rate area in the Parker Dam, California exchange would be retained as at present and one base rate area would be established in each of the Earp and Havasu exchanges. Applicant proposes to apply the present California rates in its new exchange, examples of which are:

	Rate per Month	
	<u>Business Service</u>	<u>Residence Service</u>
Individual Line	\$8.50	\$5.50
2-Party Line	6.00	4.25
4-Party Line	*NO	3.50
Each Extension Station	1.50	1.00

\*NO - Not offered

It also proposes to provide limited extended service in the area between the following exchanges:

<u>Local Exchange</u>	<u>Extended Exchanges</u>
Parker Dam, California	Earp Parker Dam, Arizona Parker, Arizona Parker Dam, California
Earp	Parker, Arizona
Havasu	Site Six, Arizona

Applicant also seeks authority to increase certain rates for intrastate message toll telephone service as set forth

in Exhibit 1 attached to the application. Under these rates no increases in station service charges are proposed but increases in person service charges would range from 5 cents to 15 cents for the initial 3-minute period depending on mileage. These person service increases would occur in certain of the blocks for the initial 3-minute and overtime periods in the following tabulation of rates:

<u>Airline Mileage</u>		<u>First 3 Minutes</u>		<u>Each Add'l Minutes</u> <u>(Next 3)</u>	
<u>Over</u>	<u>Up to and</u> <u>Including</u>	<u>Pres.</u>	<u>Pro.</u>	<u>Pres.</u>	<u>Pro.</u>
0	8	\$0.30	\$0.35	\$0.10	\$0.10
8	12	.35	.40	.10	.10
12	16	.40	.45	.10	.15
16	20	.45	.50	.15	.15
20	25	.50	.55	.15	.15
25	30	.55	.65	.15	.20
30	35	.60	.70	.20	.20
35	40	.70	.80	.20	.25
40	50	.75	.90	.25	.30
50	60	*NR	1.00	*NR	.30
60	70	NR	1.10	NR	.35

\*NR - No present route of these lengths

The proposed intrastate message toll rates would conform with Pacific Telephone Company's rates for similar service. The order will authorize the filing of a toll service adoption notice.

Under the proposal the present toll rate center at Earp would remain and one additional toll rate center would be established each in the Havasu and Parker Dam, California exchanges. The establishment of the two additional toll rate centers would result in increases of 5 cents or 10 cents in toll calls from Parker Dam or Havasu to Blythe but decreases of the same magnitude

would be experienced in toll calls from these two exchanges to Needles. According to the record considerably more toll calls are placed from Havasu and Parker Dam to Needles than to Blythe.

The proposed new California exchange area boundaries are shown on Exhibit F attached to the application. The proposed base rate area locations are also shown thereon and the details of the base rate area boundaries are shown for the Earp and Havasu exchanges in Exhibits G and H respectively.

Applicant settles with Pacific Telephone Company for interchanged message toll telephone traffic on a cost basis. The cost of such interchanged toll operation is determined by a separation study of applicant's plant investment and operating expenses and taxes. According to the testimony of applicant's president, the establishment of the new exchanges will result in a more equitable allocation of plant and the associated expenses to toll operations.

Exhibit B presents a summary of applicant's combined operations in California and Arizona for the year ending December 31, 1961. This summary indicates a rate of return on toll operations of 8.9 percent, on other operations of 1.1 percent and on total operations of 3.9 percent.

Exhibit C presents a summary of separated earnings and rate of return for California operations only for the six months ending June 30, 1962. This summary indicates a rate of return on an annualized basis, of 9.8 percent for toll operations, 0.6 percent for other operations and 4.2 percent for total California operations.

Exhibit D, as revised by late-filed Exhibit 1, presents a development of investment, revenues, expenses, and rate of return on a separated basis, for the three California exchanges for the estimated calendar year following establishment of the exchanges. The results of these estimates, which reflect 69 stations in the Parker Dam, California exchange, 93 stations in the Havasu exchange, and 51 stations in the Earp exchange, may be summarized as follows:

<u>Exchange</u>	<u>Percent Rate of Return</u>		
	<u>Total</u>	<u>Toll</u>	<u>Other</u>
Parker Dam, California	2.1	9.0	(1.3)
Havasu	1.3	9.0	2.6
Earp	2.2	8.9	(4.0)

(Red Figure)

According to the record, practically no increase in investment will be required to establish the Earp and Parker Dam, California exchanges, but in Havasu exchange, where most of the customer growth is expected, an investment of \$58,837 is estimated.

No protests were entered to the granting of the application.

Based upon the evidence, we find that the establishment of the Earp, Havasu, and Parker Dam, California exchanges as set forth in the application, including extended area service to the extent proposed will result in an improved grade of service and will be in the public interest.

We also 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.

O R D E R

IT IS ORDERED that:

1. Parker Valley Telephone Company, Inc., is authorized to establish the Earp, Havasu, and Parker Dam, California exchange areas and to establish base rate areas within the Earp and Havasu exchanges and to establish toll rate centers within the Parker Dam and Havasu exchanges, all as set forth in the application.

2. Applicant is authorized to file with this Commission, after the effective date of this order and in conformity with General Order No. 96-A, revisions of its presently effective California tariff schedules as may be appropriate to make such tariff schedules effective to the new exchange areas authorized herein to be established, and including extended area service to the extent requested in the application, such revised tariffs to become effective upon not less than five days' notice to the public and to the Commission.

3. Applicant is authorized to file with this Commission after the effective date of this order and in conformity with General Order No. 96-A, the toll service adoption notice as set forth in Appendix A attached hereto in lieu of present Schedule B-1 for intrastate message toll telephone service in California, to become effective upon not less than five days' notice to the public and to the Commission.

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

Dated at San Francisco, California, this 28<sup>th</sup> day of MAY, 1963.

Commissioner George G. Grover, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.

[Signature] President  
[Signature] Acting President  
Fredrick B. Hoffhoff  
Stallman W. Burnett

Commissioners

## APPENDIX A

## Schedule No. B-1

MESSAGE TOLL TELEPHONE SERVICE

(T)

APPLICABILITY

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.

(C)

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 Parker Valley Telephone Company, Inc., 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 Parker Valley Telephone Company, Inc.
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.

(C)