

**ORIGINAL**Decision No. 71652

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of  
 KERN MUTUAL TELEPHONE COMPANY  
 for authority to establish the  
 Lost Hills Exchange Area, compris-  
 ing the suburban zone of the  
 McKittrick Exchange Area and a  
 small portion of the suburban area  
 of the McKittrick Exchange Area,  
 and for authority to file and make  
 effective rates and rules for  
 telephone service in said Lost Hills  
 exchange.

Application No. 48729  
 (Filed August 23, 1966)

OPINION AND ORDER

Kern Mutual Telephone Company (hereafter referred to as "applicant") requests the Commission to authorize:

1. Establishment of the Lost Hills exchange (from a part of McKittrick exchange), as shown in Exhibit B attached to the application.
2. Establishment of the Lost Hills Base Rate Area as shown in Exhibit D attached to the application.
3. Establishment of the Lost Hills Toll Rate Center as proposed in Section VI of the application.
4. Filing and making effective new and revised maps as shown in Exhibits B, C, and D attached to the application.
5. Establishment of the Lost Hills exchange rates and charges as proposed in the application.

Applicant requests ex parte disposition in order that the proposed changes may be made effective by May 7, 1967, the proposed cutover date for the Lost Hills unattended community dial office.

Purpose of the Proposal

Applicant states that the application, if granted, would improve the quality of service and provide independent identity for Lost Hills subscribers. Individual line service would be provided to 63 subscribers within the proposed Lost Hills exchange area which now has predominantly 10-party service.

The application, if granted, also provides for the growth in the area through the construction of a Lost Hills unattended community dial office and microwave system.

Characteristics of the Area

Lost Hills is approximately 22 miles north of McKittrick. The proposed Lost Hills exchange to be established from a portion of the present McKittrick exchange area would include an area of approximately 236 square miles, and would have 63 subscribers.

Exchange Rates

Applicant requests authority to furnish primary exchange service at proposed rates set forth in Exhibit H as follows:

PRESENT AND PROPOSED PRIMARY EXCHANGE SERVICE RATES  
FOR PROPOSED LOST HILLS EXCHANGE

<u>Class, Type and Grade of Service</u>	<u>Rate Per Month</u>	
	<u>Present</u>	<u>Proposed</u>
<u>Business</u>		
One-Party (BRA) .....	Not Offered	\$ 9.55
One-Party Suburban .....	" "	10.15
PBX Trunk (BRA) .....	" "	14.35
PBX Trunk Suburban .....	" "	15.25
Ten-Party Suburban .....	\$ 4.85	Not Offered
Semi-Public Coin:		
One-Party (BRA) .....	Not Offered	4.75
One-Party Suburban .....	" "	5.05
Ten-Party Suburban .....	- **	Not Offered
<u>Residence</u>		
One-Party (BRA) .....	Not Offered	\$ 4.70
One-Party Suburban .....	" "	5.30
Ten-Party Suburban .....	\$ 3.20	Not Offered

\*\* \$0.17 per day guarantee.

Applicant proposes for the Lost Hills exchange the same rates and charges as those presently applicable and filed for the McKittrick exchange covering extension telephones, private branch exchange, joint user, directory listings, supplemental equipment, vacation rates, interexchange receiving service, special assemblies of equipment, employees' service, move and change charges, service connection charges, line extension charges, directory advertising and private line services.

#### Toll Rates

Applicant proposes that the message toll telephone rate schedule applicable to the Lost Hills exchange be the same as that presently filed in its tariff Schedule No. B-1 for its other exchanges, in which schedule applicant adopts and concurs in the tariffs of The Pacific Telephone and Telegraph Company.

Present and proposed rates for typical toll calls is as follows:

<u>From</u>	<u>To</u>	Minimum Weekday Station Rates for First 3 Minutes			
		<u>Present</u>	<u>Proposed</u>	<u>Increase</u>	<u>Decrease</u>
Lost Hills	Avenal	\$ 0.55	\$ 0.50	\$ -	\$ 0.05
"	"	.45	.40	-	.05
"	"	.15	.25	0.10	-
"	"	.65	.55	-	.10
"	"	.45	.35	-	.10
"	"	.70	.65	-	.05
"	"	.75	.80	.05	-
"	"	-	.30	.30	-
"	"	.60	.55	-	.05
"	"	.60	.55	-	.05
"	"	1.00	.95	-	.05
"	"	.80	.80	-	-
"	"	.95	.90	-	.05
"	"	.85	.85	-	-
"	"	.30	.30	-	-
"	"	.90	.85	-	.05
"	"	.20	.15	-	.05
"	"	.65	.55	-	.10
"	"	.35	.25	-	.10
"	"	.80	.80	-	-

Subscriber Effects

A detailed study based on present and proposed rates for toll calls billed to the subscribers in the proposed Lost Hills exchange for a one-month period resulted in an estimated annual revenue reduction of \$845.40. Applicant represents that the effect of upgrading the present subscribers from ten-party suburban service to one-party base rate area and one-party suburban rate area service at the proposed Lost Hills exchange service rates would result in a total annual revenue increase of \$1,570.80.

Ex Parte Disposition

Applicant, to facilitate possible ex parte treatment, on August 19, 1966, sent a letter to all subscribers in the proposed Lost Hills exchange informing them of this proposal. One objection was received. This subscriber expressed concern over being included in the proposed Lost Hills exchange and having to pay toll rate to call McKittrick, presently a toll-free call. The utility has indicated its willingness to permit this subscriber to retain McKittrick service at the time of establishment of the Lost Hills exchange and will seek appropriate deviation authority. This appears to be a reasonable solution to this subscriber's requirements.

Commission Staff Investigation

The Commission staff made a field investigation on September 12, 1966, and has conferred on various occasions with representatives of the applicant. Results of this investigation are set forth in Exhibit 1. The present telephone service is not considered satisfactory by various subscribers in the proposed Lost Hills exchange area. Subscribers contacted appeared to feel that the company's proposed changes for telephone service in the area would provide improved service. The staff recommends that the application be granted.

Findings

The Commission finds that a public hearing is not necessary; that the establishment of the Lost Hills exchange, Base Rate Area and Toll Rate Center, as described in the application, are in the public interest; and that the proposed exchange and resulting toll rates are reasonable. Therefore,

IT IS ORDERED that:

1. Applicant is authorized to establish the Lost Hills Exchange Area and Lost Hills Toll Rate Center as requested 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, new and revised maps shown in Exhibits B, C, and D attached to the application.
3. Applicant is authorized to establish and to file, in conformity with General Order No. 96-A, exchange rates and charges for the Lost Hills Exchange Area as proposed in the application.
4. The authorization granted herein will expire unless exercised on or before October 1, 1967.

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

Dated at San Francisco, California, this 6<sup>th</sup> day of DECEMBER, 1966.

[Signature]  
President

[Signature]

[Signature]

[Signature]  
Commissioners

Commissioner George C. Brown did not participate in the disposition of this proceeding.