

ORIGINAL

Decision No. 76199

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 CALIFORNIA-PACIFIC UTILITIES COMPANY,)
 a California corporation, for author-) Application No. 50791
 ity to increase its rates for telephone) (Filed January 2, 1969)
 service.)

Orrick, Herrington, Rowley & Sutcliffe,
 by James F. Crafts, Jr., for applicant.
 California Independent Telephone Association,
 by Neal C. Hasbrook, interested party.
Sesto F. Lucchi, for the Commission staff.

O P I N I O N

Nature of Proceeding

By this application, California-Pacific Utilities Company seeks authority to increase its rates for telephone service rendered by it in California.^{1/} Within this State, applicant furnishes telephone service in three divisions: Lassen, Colusa and Needles. Its Lassen service covers the areas of Westwood and a portion of Lake Almanor. Its Colusa service comprises six exchanges in Colusa County. Its Needles service is in a single exchange covering Needles and an area bordering the Colorado River. In prior proceedings these three divisions have been individually and separately considered. In this proceeding applicant treats them as a whole; that is, as one telephone department and seeks, by so doing, to establish a uniform rate structure applicable to all of its telephone operations in California. Its rate proposals, in brief, would increase rates in Colusa and Needles and reduce certain rates in Lassen.

^{1/} Applicant, a California corporation, owns and operates electric, gas, water and telephone systems in California; electric, gas and telephone systems in Oregon; electric, gas, water and telephone systems in Nevada and electric systems in Utah and Arizona.

Public Hearing

After due notice in the three divisions, public hearings were held before Examiner Emerson in San Francisco on June 10, 11, 12 and 13, 1969. The matter was submitted, upon the filing of certain exhibits, on July 3, 1969 and is now ready for decision.

Applicant's present telephone rates have been in effect in its Colusa Division since 1948, in its Needles Division since 1949 and in its Lassen Division since 1964. Overall, the increases which it now seeks would produce additional gross revenues of approximately \$98,000 on an annual basis.

Past and Present Earnings

According to applicant, its earnings on its telephone operations in California produced a rate of return of 6.93 percent in 1966, a rate of return of 6.03 percent in 1967 and a rate of return of 5.79 percent in 1968. Applicant cites this decline in rate of return as the necessity for increased revenues and it seeks a rate of return of 7.6 percent on an intrastate rate base of approximately \$3,928,000.

Evidence respecting applicant's operations, earnings position and financial need was presented by witnesses for applicant and for the Commission staff. With respect to applicant's future financial needs, the staff accounting witness recommended that applicant be accorded a rate of return within the range of 7.1 to 7.5 percent on an intrastate original-cost rate base. Applicant and the staff both used the year 1968 as a "test year".

The following tabulation is a summary comparison of test-year earnings for applicant's total intrastate operations under

existing service rates and with combined B-I and I-I toll arrangements reflected therein as though applicable for the full year.^{2/}

Test Year 1968 - Present Rates

Total California Intrastate Operations

<u>Item</u>	<u>Applicant's Evidence</u>	<u>CPUC Staff Evidence</u>
Operating Revenues	\$1,089,000	\$1,058,600
Operating Expenses		
Before Taxes & Depreciation	494,195	502,009
Taxes	163,064	137,511
Depreciation	176,121	175,541
Total Operating Expenses	<u>833,380</u>	<u>815,061</u>
Net Operating Revenue	255,620	243,539
Rate Base (depreciated)	3,927,889	3,805,077
Rate of Return	6.51%	6.40%

With respect to those differences between applicant's and the staff's revenue and expense figures which are of significance, the record shows that most arise from the fact that the staff had the advantage of having had actual-year 1968 figures available to it whereas applicant had had to rely on estimates of the same because its application was prepared before the close of the year. With respect to rate base, the staff included the cost of applicant's new building at Colusa on a time-in-service weighted basis, whereas applicant included the cost for the full year. The building has by now been in use for more than 12 months and we find, therefore, that it should now be fully included in rate base. With such inclusion, the difference between the staff's and applicant's rate basis largely disappears. We adopt, for the rate making purposes of this proceeding, the staff-derived revenues and expenses and the sum of \$3,928,000 as the fair and reasonable depreciated intrastate rate

^{2/} In accordance with Decision No. 74917 issued in Application No. 49142 on November 6, 1968, Bell System-Independent (B-I) and Independent-Independent (I-I) operations are combined for toll settlement purposes commencing December 2, 1968.

base applicable to the test-year 1968. By so doing, applicant's intrastate operations for the test year are shown to have produced a rate of return of approximately 6.2 percent.

Rate of Return - Authorized Increase

Both applicant and the staff presented evidence in this proceeding on cost of money and rate of return. Applicant requested that it be allowed a rate of return of 7.6 percent while the staff recommended that rates be authorized which would produce a rate of return in the range of 7.1 to 7.5 percent. Both witnesses used similar procedures in arriving at their conclusions. They both gave primary consideration to total company capitalization and cost of money factors and concluded that each segment of the total operations should bear its proportionate share of the burden of servicing applicant's outstanding securities.

The basic difference between the presentations of applicant and the staff relates to the return to be allowed as the common equity portion of applicant's capitalization. Applicant's showing was based on the premise that a return on common equity of 11-1/2 to 12-1/2 percent was required while the staff concluded that a return in the range of 9-1/2 to 10-1/2 percent would be reasonable. Both witnesses admitted that while costs associated with debt and preferred stock could reasonably be ascertained the return to be allowed on the common equity portion of the capitalization was a matter of judgment.

We have carefully considered the evidence in this proceeding and find that rates should be authorized which will produce a rate of return of 7.1 percent on applicant's intrastate rate base. Such rate of return when related to the capitalization and cost of money factors shown on Table 12 of Exhibit No. 10 indicates a return allowance on common equity of approximately 9.5 percent.

A gross revenue increase of approximately \$75,500 is necessary to achieve the 7.1 percent rate of return herein found to be reasonable. The rates hereinafter authorized should produce such revenue increase and return.

Applicant's proposed rate changes are solely within the exchange category. The following comparative summary is shown, therefore, to indicate applicant's earnings on this segment of its California operations and with the same combined B-I and I-I treatment used in the preceding tabulation.

Test Year 1968 - Present Rates
Exchange Operations in California

<u>Item</u>	<u>Applicant's Evidence</u>	<u>CPUC Staff Evidence</u>
Operating Revenue	\$ 484,800	\$ 489,100
Operating Expenses	374,888	379,060
Net Revenue	109,912	110,040
Rate Base	2,368,504	2,276,039
Rate of Return	4.64%	4.83%

Applying the gross revenue increase, hereinabove found to be reasonable, to exchange operations has the effect of raising the exchange rate of return to approximately 6.3 percent.

Service Matters

Beyond the earnings picture above discussed, the staff presented in evidence a comprehensive study of applicant's service and made numerous recommendations respecting the need for service improvements in all three of applicant's divisions. Service deficiencies were brought to the attention of the Commission by the presentation of a petition, with 227 signatures, by a subscriber-witness from applicant's Colusa division. It is also of record that the Board of Supervisors of Colusa County, by Resolution No. 69-18, offers no protest respecting increased rates provided extended toll-free calling is made available within the county. In addition, a

number of individual subscribers sent letters to the Commission respecting service problems. If all of the evidence and comments were summarized succinctly, it would be that there is no public objection to increased rates provided service improvements are made.

Perhaps of greatest annoyance to subscribers is the delay experienced in reaching an operator. In this respect applicant has been under some handicap in its Lassen division because subscribers' calls for assistance, toll and information services there go to the toll switchboard of Citizens Utilities Company of California at Susanville, which also handles five exchanges of Citizens. In this situation, applicant does not have direct control over the operators. Delays at this point, however, can readily be measured by equipment which presently is at hand and there appears to be no reason why applicant cannot insist that calls from its subscribers shall be promptly and properly handled by the operators at Susanville. Under the present I-I toll settlement arrangements (whereby applicant's I-I toll rate of return has increased from 0.5 percent to 9.26 percent) we can envisage no financial or earnings excuse for not at least meeting the industry-wide standard of responding to 92 percent of all operator calls within 10 seconds. In its Colusa division applicant operates its own toll switchboard and thus does have direct control over the speed of operator response. It does not here measure the speed of operator answering and thus seems to be unaware of the long delays involved (some reported as 30 or more minutes). Delays at Colusa are unreasonable and applicant must considerably improve its service in this division. The days of poor "country grade" service should be long past. The public is entitled to a modern, dependable telephone service; indeed, such service is today indispensable. Traffic recorder equipment is essential at Colusa.

Judicious use of this equipment should quickly enable applicant to bring its operating answering time to the industry standard and thereafter to maintain it at such level.

Applicant supplies toll station service in the Colusa division. The toll line is long and serves some 13 stations which utilize magneto (handcrank) ringing. Its quality is admittedly poor. Improvement of this service may be accomplished by reducing the number of stations per line, by conversion to common battery operation and by use of selective ringing equipment. Adverse subscriber comments regarding party-line interference brings to particular attention the fact that most telephone service in California today consists of 1-party, 2-party and 4-party service and that 10-party service has all but disappeared from the scene. The evidence is convincing that applicant should undertake the upgrading of its service to match the rest of the telephone operations in this state by starting the elimination of any grade lower than 4-party service. Coincidental with such upgrading, applicant should eliminate code ringing so that full-selective ringing and automatic number identification will be effective on all of its exchange subscriber lines.

Applicant's public telephones (coin) are of the post-paid type whereby the coin is deposited after reaching the called party. The present charge for a local call is 5 cents (except Lassen division where calls presently are 10 cents) and applicant proposes to increase this charge to 10 cents. All of these post-paid telephones should be converted to the pre-pay type prior to any increase in the basic charge.

The evidence respecting base rate area and exchange area expansion and respecting extended area calling clearly establishes (1) that there is no present or now foreseeable need for expansion

of the Needles exchange, (2) that special base rate areas are desirable at Clear Creek in the Westwood exchange and at College City in the Arbuckle exchange, (3) that the Lake Almanor base rate area should be extended westerly to the exchange boundary, (4) that the Colusa base rate area should be expanded, (5) that the Westwood base rate area may now appropriately be contracted and (6) that extended area service between applicant's Lake Almanor exchange and Citizen's Chester exchange is desired by applicant's Lake Almanor subscribers. Because Citizens is not a party to this proceeding, this latter situation cannot be further explored herein but applicant will be directed to undertake a study looking to an early solution of the present cross-boundary problem between the two exchanges.

The evidence is not convincing that applicant should be required to discontinue charges for color telephones, file a new deposit rule, place a time limit for the collection of past billings or refund suburban mileage charges in its Needles exchange, as recommended by the staff. Applicant should, however, update its tariffs and forms and revise its service area maps as required by General Order No. 96-A.

The service improvements discussed are needed in the public interest. Applicant will be directed to undertake them and it appears that a period of not longer than two years should be sufficient for their accomplishment. The capital costs involved are not known with accuracy but are presently thought to be in the range of \$368,400 to \$413,300 of which 89 percent is separable to intrastate operations and of which 58 percent is reasonably assignable to exchange operations. Should the actual costs have a substantially adverse effect on applicant's future earnings position, applicant may seek appropriate rate relief.

Authorized Rates

The basic monthly rates hereinafter authorized are compared with present rates in the following tabulation. In no instance are they higher than the rates presently charged for like service in nearby or adjacent exchanges of other telephone utilities.

Rate Comparison
Present - Authorized

Class and Grade	Present Monthly Charge				Authorized All Exchanges
	Needles	Colusa	Arbuckle Grimes Maxwell Princeton Williams	Westwood Lake Almanor	
Business					
1-party	\$5.00	\$5.25	\$4.25	\$8.60	\$7.00
2-party	4.00	4.25	3.75	6.80	5.50
4-party	3.25	-	3.50	-	-
Suburban*	-	3.75	3.50	6.30	5.75
PBX Line	5.00	7.75	6.25	12.90	10.50
Residence					
1-party	3.50	3.50	3.00	5.60	3.90
2-party	3.00	3.00	2.75	4.80	3.10
4-party	2.50	2.50	2.25	4.10	2.50
Suburban*	-	2.75	2.75	4.45	3.25

* To be upgraded within two years.

Federal Surtax

Applicant's rate proposals would imbed in each rate an amount estimated to offset the 10 percent income tax surcharge being temporarily assessed by the federal government. We cannot agree that such method is a reasonable means by which the collection of the tax may be accomplished, for on expiration of this tax subscribers would continue to pay the surcharge even though no longer liable therefor. We shall authorize its collection by means of a separately itemized charge, such charge to be 1.41 percent of the intrastate portion of the subscriber's monthly or special bill exclusive of federal and

local taxes. Such surcharge billing will terminate upon expiration of the federal tax surcharge. ✓

Findings of Fact

In view of the evidence and the foregoing discussions of its more important aspects, the Commission makes the following findings of fact:

1. After due notice, public hearings have been held in this matter, evidence has been adduced and the matter stands submitted.
2. Applicant and the Commission staff selected as a "test year" and based their respective showings as to the results of applicant's operations on the year 1968.
3. Under existing rates and charges for its telephone services, applicant's intrastate earnings during the test year produce a rate of return of 6.2 percent on an intrastate rate base of \$3,928,000.
4. A rate of return of 7.1 percent on the test year rate base is fair and reasonable.
5. Applicant is entitled to increased intrastate revenues sufficient to raise the test year rate of return from the present 6.2 percent to the 7.1 percent rate of return hereinabove found to be reasonable.
6. An increase of \$75,500 in gross intrastate revenues, based upon the test year, is justified.
7. It is fair and reasonable to establish uniform exchange rates for all of applicant's exchanges.
8. The public interest requires that applicant provide the service improvements discussed in the foregoing opinion and that it undertake jointly with Citizens Utilities Company of California a study looking to the establishment of extended-area service between the Lake Almanor and Chester exchanges.

9. Applicant should be required to bring its tariffs into conformance with the provisions of General Order No. 96-A.

Conclusions of Law

1. The application of California-Pacific Utilities Company should be granted to the extent set forth in the following order and in all other respects denied.

2. The increases in rates and charges authorized herein are justified.

3. The rates and charges authorized herein are just and reasonable and present rates and charges, insofar as they differ therefrom, are for the future unjust and unreasonable.

O R D E R

IT IS ORDERED that:

1. California-Pacific Utilities Company is authorized to file with this Commission, on or after the effective date of this order and in conformance with the provisions of General Order No. 96-A, revised tariffs with rates, charges and conditions as set forth in Appendix A attached hereto and, on not less than five days' notice to the public and to this Commission, to make said revised tariffs effective for service rendered on and after October 25, 1969.

2. Applicant herein shall forthwith establish as a standard of performance the criterion that no more than eight percent of calls to operators shall remain unanswered beyond an elapsed time of ten seconds and shall take appropriate steps to insure that such standard is effectively met and maintained.

3. As rapidly as feasible but in no event more than 24 months after the effective date of this order, applicant shall have:

- (a) Improved its toll station service by converting the same to common-battery operation, reducing the number of stations per line to no more than eight and by providing the same with selective ringing.
- (b) Converted its post-paid coin-operated public telephones to pre-paid instruments.
- (c) Established special rate areas at Clear Creek in its Lassen division and at College City in its Colusa division as the same are delineated in Appendix C of Exhibit No. 11 in this proceeding.
- (d) Upgraded its party-line services to 1-party and 2-party business services and to 1-party, 2-party and 4-party residence services within base-rate and special-rate areas, and to 4-party service on its suburban lines.
- (e) Expanded its base rate areas at Needles, Westwood, Lake Almanor and Colusa to the boundaries set forth in Appendix D of Exhibit No. 11 in this proceeding.
- (f) Established selective ringing and automatic number identification for all of its exchange subscribers.

4. Applicant is directed to forthwith undertake a study looking toward early elimination of toll charges between its Lake Almanor exchange and the Chester exchange of Citizens Utilities Company of California, by the provision of extended-area service between the two exchanges and shall report to this Commission quarterly, in writing, the progress of its study and any negotiations with Citizens respecting the same.

5. Applicant shall, within sixty days after the effective date of this order, update its tariffs and forms and revise its service area maps in conformance with the provisions of General Order No. 96-A.

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6. Except to the extent hereinabove granted, the application of California-Pacific Utilities Company (Application No. 50791) is hereby denied.

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

Dated at San Francisco, California, this 23rd day of SEPTEMBER, 1969.

Alvin...
President
W. H. ...
...
...
Commissioners

Commissioner William Symons, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

APPENDIX A

Rates -- California-Pacific Utilities Company

Schedule No. A-1

INDIVIDUAL AND PARTY LINE SERVICE

RATES

	Rate Per Month		
	<u>All Exchanges</u>	<u>College City* Special Rate Area</u>	<u>Clear Creek* Special Rate Area</u>
Business Service			
Individual Line	\$7.00	\$8.00	\$7.50
Two-party Line	5.50	6.20	5.85
Four-party Line	Withdrawn	-	-
Extension Station	1.50	1.50	1.50
Residence Service			
Individual Line	3.90	4.90	4.40
Two-party Line	3.10	3.80	3.45
Four-party Line	2.50	3.00	2.75
Extension Station	1.00	1.00	1.00

* Rate to be effective upon establishment of Areas

Schedule No. A-2

SUBURBAN SERVICE

RATES

	Rate Per Month
	<u>All Exchanges</u>
Business Service	
Ten-party Line*	\$5.75
Four-party Line	5.75
Extension Station	1.50
Residence Service	
Ten-party Line*	3.25
Four-party Line	3.25
Extension Station	1.00

* Rate to be withdrawn upon establishment of four-party service

Schedule No. A-3

FARMER LINE SERVICE

RATES

	Rate Per Month
	<u>All Exchanges</u>
Business Service	\$1.25
Residence Service	.75
Minimum Charge Per Line	4.00

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Schedule No. A-7-C

DIRECTORY LISTINGS

Number of schedule shall be changed to A-7.

TERRITORY

Within all exchanges, as said exchanges are defined on maps filed as part of these tariff schedules:

RATES

(1) Primary Service Listings:

Condition marked by asterisk (*) concerning business additional listings shall be deleted.

(2) Additional Listings:

	<u>Rate per Month</u>
Each business listing	\$0.75
Each residence listing	.40
Each hotel guest listing	.40
Each reference listing	.40
Each line of information	.40

Schedule No. A-8

DIAL PRIVATE BRANCH EXCHANGE SERVICERATES

Hotel-Motel Guest Dial Service:

	<u>Basic Termination Charge</u>	<u>Installa- tion Charge</u>	<u>Monthly Rates</u>
Switchboard Rates:			
Equipped for 30 station lines, 2 intercommunicating links and 2 trunk lines. Including attendant's cabinet and handset	\$400.00	\$400.00	\$ 65.00
Equipped for 40 station lines, 3 intercommunicating links and 3 trunk lines. Including attendant's cabinet and handset	500.00	450.00	100.00
Optional Features (See Special Condition No. 1)			
(a) Each Additional intercommunicating link	-	10.00	3.00
(b) Equipment for each additional trunk	-	25.00	6.75

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Schedule No. A-8 (Continued)

	<u>Basic Termination Charge</u>	<u>Installa- tion Charge</u>	<u>Monthly Rates</u>
(c) Toll diversion adapter, including wall mounting bracket (See Special Condition No. 2)	-	\$ 20.00	\$ 5.00
(d) Message waiting service, up to 40 lines	-	50.00	10.00
(e) Message waiting lamp, per station	-	-	.15
(f) Message registers, including 40 meters (For use with 40-line board only)	-	45.00	15.00

Station Rates:

Each extension station	-	*	1.50
Each extension station equipped for automatic transfer	-	*	1.90

*Service connection charge applies as specified in Schedule No. A-12.

SPECIAL CONDITIONS

1. The addition of optional auxiliary equipment to automatic switching units may reduce the listed line capacity.
2. Toll diversion equipment shown above denies station dial access to all toll calling areas, and will be provided at the rates and charges shown, only with the automatic switching unit with which it is compatible.

Schedule No. A-9

SEMIPUBLIC COIN BOX SERVICERATES

	<u>Rate Per Month</u>		
	<u>All Exchanges</u>	<u>College City* Special Rate Area</u>	<u>Clear Creek* Special Rate Area</u>
Individual Line Service	\$3.50	\$4.00	\$3.75
Extension Station	1.50	1.50	1.50

Charge

Each Exchange Message

As specified in
Schedule No. A-5,
Public Telephone Service

* Rate to be effective upon establishment of Areas

APPENDIX A

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Schedule No. A-12-L

VACATION RATE

Number of schedule shall be changed to A-12.

TERRITORY

Within all exchanges as said exchanges are defined on maps filed as part of these tariff schedules.

RATE

	<u>Discount on Total Fixed Monthly Exchange Service Charge</u>
Business Service	50%
Residence Service	50%

SPECIAL CONDITIONS

1. Business service (other than semipublic) may be subject to vacation rate service at the above rate for a period of not less than one or more than four consecutive months, nor for more than four months in any one period of twelve consecutive months, when closed for vacation. More than one period of vacation rate service may be permitted in any one period of twelve consecutive months provided that at least one month's service at full rates shall be paid for between each period of vacation rate service.
2. Subscribers to residence service, while temporarily absent from their residences, may be granted vacation rate service at the above rate for a period of not less than one month and not more than eight months.
3. The rate entitles the subscriber to the use of outgoing service during the period the vacation rate service is in effect.
4. In the case of flat rate service, the fifty percent (50%) discount applies to the total fixed monthly exchange service charges.
5. At the time the discount is applied for, the subscriber shall be receiving service at the regular rate and all bills rendered shall have been paid in full.
6. The exchange service charge, at the vacation rate, for the initial period of the vacation rate service, is payable at the time of application for the vacation rate service.
7. Basic termination charge contracts in connection with facilities suspended will be extended one month for each two months or fraction thereof that the facilities are provided at the vacation rate service discount.
8. Service at the vacation rate may begin on any day of the month, provided notice is given sufficiently in advance for arrangements to be made.

Schedule No. A-12-L (Continued)

SPECIAL CONDITIONS (Contd.)

9. Complete service will be restored without notice from the customer not later than 5 p.m. on the last day of the vacation rate period. The customer may request the service restored in advance of that date or request the vacation rate service extended beyond that date (to the maximum period) upon notification to the Utility sufficiently in advance to permit the necessary arrangements.
10. Vacation rate service is not applicable to any service with an arrangement for data or facsimile transmission.

Schedule No. A-15

SUPPLEMENTAL EQUIPMENTTERRITORY

Within all exchanges, as said exchanges are defined on maps filed as a part of these tariff schedules.

Schedule shall be modified as "proposed" in Exhibit D to A-50791, pages 9 through 19.

Schedule No. A-16

JOINT USER SERVICERATES

	<u>Rates Per Month</u>
All Exchanges	\$2.50

Schedule No. A-19

MOVE AND CHANGE CHARGESTERRITORY

Within all exchanges, as said exchanges are defined on maps filed as a part of these tariff schedules.

RATES

	<u>Charge</u>
Each Standard Telephone Moved or Changed	
Business Service	\$7.00
Residence Service	5.00
Other Equipment and Wiring	Actual cost but limited to the charge that would apply to a new installation of same service and facilities.

APPENDIX A

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Schedule No. A-20

SERVICE CONNECTION CHARGESTERRITORY

Within all exchanges, as said exchanges are defined on maps filed as a part of these tariff schedules.

RATES

	Charge	
	<u>Business Service</u>	<u>Residence Service</u>
Service with no Instruments in Place:		
Each Primary Station	\$15.00	\$10.00
Each PBX Trunk Line	15.00	10.00
Each Extension Station	7.00	5.00
Each PBX Extension Station	7.00	5.00
Service with Instruments in Place:		
Each Station Line with no change in type or location of facilities involved	15.00	10.00
Each PBX System	15.00	10.00
Each PBX Trunk Line	15.00	10.00
Each Supersedure of Service	15.00	No Charge

SPECIAL CONDITION

Special Condition 3 concerning instruments in place shall be deleted.

Schedule No. A-22-L

EMPLOYEES' SERVICE

Number of schedule shall be changed to A-22.

APPLICABILITY

Applicable to telephone service furnished to active and retired employees of the Utility.

TERRITORY

Within all exchanges as said exchanges are defined on maps filed as part of these tariff schedules.

RATES

	<u>Discount on Total Fixed Monthly Exchange Service Charge</u>
Each regular full-time employees' residence service	50%

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Schedule No. A-23

PRIVATE BRANCH EXCHANGE SERVICETERRITORY

Within all exchanges, as said exchanges are defined on maps filed as a part of these tariff schedules.

RATES

	Rate Per Month	
	<u>Installation Charge</u>	<u>Monthly Rates</u>
1. Each switchboard position equipped with battery and ringing power and switchboard telephone:		
3 trunk, 10 line cordless type switchboard	\$50.00	\$10.00
5 trunk, 16 line cordless type switchboard	80.00	13.00
40 lines or less, cord type, nonmultiple switchboard	120.00	20.00
2. Station Rate		
Each extension station	*	1.50

* Service connection charge applies as specified in Schedule No. A-12.

Schedule No. A - (Appropriate Number)

PRIVATE BRANCH EXCHANGE TRUNK LINE SERVICEAPPLICABILITY

Applicable to business and residence flat rate private branch exchange service.

TERRITORY

Within the base rate and special rate areas of all exchanges, as said exchanges are defined on maps filed as a part of these tariff schedules.

RATES

	<u>Rate Per Month</u>
All Base Rate Areas	\$10.50
College City Special Rate Area *	11.50
Clear Creek Special Rate Area *	11.00

* Rate to be effective upon establishment of Areas

SPECIAL CONDITIONS

1. Service under this schedule will be furnished outside the base rate and special rate areas but within the exchange areas at the above rates plus mileage rates specified in Schedule No. A-4, Mileage Rates.

SPECIAL CONDITIONS (Contd.)

- 2. Rates shown in this schedule apply to trunk lines furnished in connection with private branch exchange service in accordance with the rates and special conditions shown in Schedule No. A-8, Dial Private Branch Exchange Service, and Schedule No. A-23, Private Branch Exchange Service.

Schedule No. A - (Appropriate Number)

EXTENDED AREA SERVICE CALLING AREAS

APPLICABILITY

Applicable to telephone calling areas in exchanges provided with extended area service.

TERRITORY

Within the exchange areas of the designated exchanges as said areas are defined on maps filed as a part of these tariff schedules.

EXTENDED SERVICE

Service at rates specified in the tariff schedules is provided without additional charge as follows:

<u>From stations receiving service from the exchange designated as</u>	<u>To stations receiving service from exchanges designated as</u>
Needles	Mohave Valley, Arizona

Schedule No. A - (Appropriate Number)

DATA SUBSET SERVICE

Schedule shall be filed containing rates, charges, and special conditions as specified in Exhibit D to A-50791, pages 15 and 16.

Schedule No. A - (Appropriate Number)

BILLING SURCHARGE

APPLICABILITY

Applicable to an intrastate billing surcharge to be added to customers' bills rendered on or after the date on which the Federal Income Tax Surcharge is signed into law.

TERRITORY

Within the territory served.

RATES

Billing Surcharge

Monthly Percentage

1.41%

APPENDIX A

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SPECIAL CONDITIONS

1. The percentage rate applies to each customer's bill for intrastate telephone service, exclusive of federal and local excise taxes.
2. The billing surcharge shall terminate simultaneously with termination of the federal income tax surcharge, or, should the tax surcharge be reduced, a proportionate reduction in the billing surcharge percentage shall be made concurrently.
3. The billing surcharge amount on each bill shall be designated "Allowance for Federal Income Tax Surcharge."

Schedule No. D-1

CLASSIFIED TELEPHONE DIRECTORY ADVERTISINGAPPLICABILITY

Applicable to telephone directory advertising service.

TERRITORY

Within all exchanges as said exchanges are defined on maps filed as part of these tariff schedules.

RATES

<u>Service</u>	<u>Rate Per Month</u>		
	<u>Group 1</u> <u>0 - 2,700</u>	<u>Group 2</u> <u>2,701 - 3,500</u>	<u>Group 3</u> <u>3,501 - 4,500</u>
Regular Type Listing	\$.65	\$.70	\$.75
Trade Mark Regular Type Listing	.65	.70	.75
Alternate Call or Cross Reference Listing	.65	.70	.75
Additional Line of Information	.50	.55	.55
Classified Bold-Type Listing	1.00	1.05	1.10
Trade Mark Bold-Type Listing	1.00	1.05	1.10
Alphabetical Bold Type	1.75	1.85	1.95
Trade Name Listing	1.25	1.30	1.35
Trade Mark Heading	2.75	3.00	3.25
Custom Trade Mark	4.00	4.50	5.00
One-Half Inch Informational Listing	1.50	1.60	1.70
One Inch Informational Listing	2.60	2.80	3.00
Directional One and One-Half Inch Informational Listing	3.30	3.65	4.00
One and One-Half Inch Informational Listing	2.95	3.30	3.65
One-Quarter Column Display*	3.00	3.50	4.00
Trade Mark Cross Reference Listing or Heading	1.25	1.30	1.35

* Rates for display space larger than 1/4 column are multiples of 1/4 column rate.

Schedule No. D-1 (Continued)

<u>Exchange</u>	<u>Rate Group #</u>
Needles	1
Westwood	1
Lake Almanor	1
Colusa	2
Arbuckle	2
Grimes	2
Maxwell	2
Princeton	2
Williams	2

The exchange with the greatest number of telephone stations determines the rate group that applies to multi-exchange directories. The total number of telephones in the exchange determines the rate group for single exchange directories.

The following schedules shall be cancelled and their contents combined with the remaining schedules as required to meet the provisions of this order:

Schedule No. A-2-(a)-C
 Schedule No. A-3-C
 Schedule No. A-11-C
 Schedule No. A-12-C
 Schedule No. A-29-C
 Schedule No. A-30-C
 Schedule No. A-31-C
 Schedule No. D-1-C
 Schedule No. A-14-L
 Schedule No. A-15-L
 Schedule No. A-19-L
 Schedule No. A-20-L
 Schedule No. A-23-L
 Schedule No. D-1-L
 Schedule No. A-18
 Schedule No. A-22