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Decision No. 79362

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY for authority to establish Extended Area Service between the Ukiah Exchange and the Hopland and Potter Valley Exchange and to withdraw message toll telephone service rates now in effect between said exchanges.

Application No. 52870
(Filed September 17, 1971)

OPINION AND ORDER

The Pacific Telephone and Telegraph Company (hereafter referred to as Applicant) by this application requests the Commission to authorize on an ex parte basis, the following:

1. Establish extended area service between the Ukiah Exchange and the Hopland and Potter Valley Exchange;
2. Withdraw message toll telephone service rates now in effect between said exchanges; and
3. File and make effective the rates set forth in Exhibit B coincident with the establishment of extended area service.

Applicant is presently providing exchange telephone service in the exchanges of Ukiah, Hopland and Potter Valley in Mendocino County. The following tariffs of Applicant on file with the Commission enumerate the principal exchange services offered therein and the rates applicable thereto and delineate the boundaries of said exchanges and the base rate areas thereof; Schedules Cal. P.U.C. Nos. 4-T, 9-T, 13-T and 37-T.

Listed below are the initial period day station toll rates and interexchange mileages:

<u>Between Exchanges</u>	<u>Toll Rate</u>	<u>Toll Miles</u>
Ukiah-Hopland	20¢	14
Ukiah-Potter Valley	20¢	13

Listed below are the present and proposed exchange rates for Ukiah, Hopland and Potter Valley. The Extended Area Service formula authorized by Decision No. 77311 was used to determine these rates.

Item	Rate Per Month			
	Present		Proposed	
	All Exchanges	Ukiah	Hopland	Potter Valley
Business				
Individual Line	\$12.50	\$13.20	\$15.00	\$15.00
Two-Party Line	9.50	10.20	12.00	12.00
Suburban	8.55	9.25	11.05	11.05
FBX Trunks	18.75	19.75	22.50	22.50
Semipublic Coin	6.25	6.75	7.50	7.50
Farmer Line	4.00	4.70	6.50	6.50
Residence				
Individual Line	\$ 5.65	\$ 5.65	\$ 6.50	\$ 6.50
Two-Party Line	4.95	4.95	5.80	5.80
Four-Party Line	4.05	4.05	4.90	4.90
Suburban	4.55	4.55	5.40	5.40
Farmer Line	2.00	2.00	2.85	2.85

Interest in extended service to Ukiah has been expressed by residents of Hopland and Potter Valley since 1967. Three petitions have been received by the local manager and numerous meetings have been held with Farm Bureau members, the Potter Valley Grange, Hopland PTA and individual customers. Residents in both Hopland and Potter Valley have contacted the Commission in regard to expanding their local calling area.

Applicant has undertaken a customer survey in the area to determine customer response to the proposed extended area service plan. The large majority of customers favor the proposal. A summary of the survey results is shown in Exhibit D of the application.

The increased authorized rates will not increase applicant's level of earnings but will partially offset the costs of providing the improved service. Including the effects of the higher rates the total net annual effect is a loss of \$9,300 annually as detailed in Exhibit C of the application. Thus, these rate increases are consistent

with the purposes of the Economic Stabilization Act of 1970, as amended. Applicant is expected to comply with the requirements of the Price Commission's regulations relating to the stabilization of prices and rents after November 13, 1971.

It appears that granting the application will result in improved service in the public interest; therefore, the Commission finds that a public hearing is not necessary and that the company's application should be granted.

IT IS ORDERED that The Pacific Telephone and Telegraph Company is authorized as follows:

1. Introduce extended area service between the Ukiah exchange and the exchanges of Hopland and Potter Valley;
2. File and make effective the proposed rates set forth in Exhibit B coincident with the establishment of extended area service as proposed; and
3. Cancel and withdraw message toll telephone rates in effect between said exchanges.
4. The authorization to implement this order shall expire unless exercised within twenty-four months of the effective date of this order.

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

Dated at San Francisco, California, this 22nd day of NOVEMBER, 1971.

[Signature]
 Chairman

[Signature]

[Signature]

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 Commissioners