

Decision No. 82665

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE
AND TELEGRAPH COMPANY for authority
to consolidate its Keystone and Jamestown
Exchange, to eliminate the Keystone toll
rating point and reestablish the Keystone
base rate area in the Keystone Exchange
as a special rate area in the Jamestown
Exchange.

Application No. 54694
(Filed February 27, 1974)

OPINION AND ORDER

The Pacific Telephone and Telegraph Company (Pacific) requests authorization pursuant to Sections 454 and 701 of the Public Utilities Commission Code of the State of California to consolidate Pacific's Keystone and Jamestown exchanges, eliminate the toll rating point of the Keystone exchange and reestablish the present base rate area of the Keystone exchange as a special rate area in the Jamestown exchange.

The Keystone exchange, located in Tuolumne County, covers 79 square miles and encompasses a geographical area consisting of rural ranches. There is no community per se.

The extent of Jamestown's shopping area is limited and the Keystone exchange area relies heavily on Sonora (Main) for socio-economic and governmental needs. Pacific's serving vehicle is a fixed capacity dial unit central office described as a CX-30. Pacific serves a total of 24 main stations consisting of 1 business and 23 residence services.

The Jamestown exchange, also located in Tuolumne County, covers 82 square miles and includes the historical gold mining town of Jamestown. The balance of the exchange is similar to the entire makeup of the Keystone exchange, that is, it is composed of rural

ranches. Pacific's serving vehicle is an expandable type central office described as a 355-A step-by-step unit. Pacific has a total of 1,086 main stations in the Jamestown exchange consisting of 146 business and 940 residential services.

The Keystone and Jamestown exchanges are 10 rate miles apart and the initial period station toll rate is \$0.15. Present basic exchange rates are the same as shown in Exhibit B of the attached application.

Pacific states that the proposed consolidation is in accord with Pacific's Service Betterment Program to eliminate CX-30 central offices. Pacific anticipates that the existing CX-30 central office will exhaust its engineered capacity in 1975.

Pacific states that consolidating the Keystone exchange with the Jamestown exchange and serving it from the Jamestown central office will require a gross construction expenditure of \$35,000.

Elimination of the Keystone exchange toll rating point and recentering on Jamestown would change the rates to some under 40-mile toll calling points for the present Keystone customers. Depending on the direction of the toll calling, rates would increase or decrease by 5¢ or 10¢ for the initial 3-minute period. Pacific states that overall toll billing for the present Keystone customers would be reduced because they call more often over the routes that go down in price.

Consolidation of the Keystone exchange with the Jamestown exchange would establish a common local calling area, thus eliminating a 15¢ toll route. It would also substitute two-way non-optional extended service for 20¢ toll calling between Keystone and Main District Area of the Sonora exchange.

Pacific is proposing the present Keystone base rate area be eliminated and in its place a special rate area be substituted. The present Keystone base rate area and the proposed Keystone

special rate area contain no customers, they serve as a measuring point for customers located outside the urban rate area who subscribe to urban grades of service. Since the nearest point on the Keystone urban rate area is 27 quarter miles from the nearest point on the Jamestown urban rate area, Pacific proposes Jamestown base rate area rates plus an increment equal to the rate for three one-quarter miles of suburban mileage. This is in accord with rate development methods previously authorized in similar cases by the California Public Utilities Commission.

Pacific states that this proposed consolidation results in an annual revenue loss of \$4,300 and an annual negative net dollar effect of \$12,500. However, it is Pacific's belief that consolidating the Keystone exchange with the Jamestown exchange will better meet the customers' overall telephone requirements and at the same time give Pacific the most economical means of meeting those requirements in the future.

The Commission finds that the proposed consolidation of the Keystone and Jamestown exchanges would not be adverse to the public interest. A public hearing is not necessary.

IT IS ORDERED that:

1. The Pacific Telephone and Telegraph Company is authorized to:
 - a. Consolidate the Keystone exchange with the Jamestown exchange.
 - b. Eliminate the Keystone toll rating center and recenter Keystone toll calls on the Jamestown toll rating point.
 - c. Reestablish the base rate area in the Keystone exchange as a special rate area in the Jamestown exchange.

2. The Pacific Telephone and Telegraph Company is authorized to charge the rates shown in Exhibit B of the said application.

3. The authority granted herein shall expire one year after the effective date of this order in the event that the consolidation of the exchanges has not occurred, and The Pacific Telephone and Telegraph Company shall so notify this Commission in writing.

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

Dated at San Francisco, California, this
2nd day of APRIL, 1974.

James L. Steiner
President
William J. Symons
[Signature]
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Commissioners