

MAY 8 1991

Decision 91-05-009 May 8, 1991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Chuck Hedlund,)
 Complainant,)
 vs.)
 Continental Telephone)
 Company of California,)
 Defendant.)

ORIGINAL
 Case 88-08-035
 (Petition for Modifidation
 filed January 25, 1991)

OPINION

This decision grants the Petition of Contel of California, Inc. for Modification of Decision (D.) 90-11-063, filed on January 25, 1991.

Background

In D.90-11-063, the Commission authorized Contel of California, Inc. (Contel) to provide Zone Usage Measurement (ZUM) telephone service in the Lucerne Valley-Victorville and Newberry Springs areas. ZUM rates provide residential customers with a discount from the otherwise applicable statewide toll rates in recognition of the greater economies of scale achievable by the local exchange company in an urbanized area. Calling routes of up to 16 miles within relatively urbanized areas may be converted to ZUM rates. Only central office equipment capable of generating measured rates can be converted to ZUM service.

Contel's Victor Valley ZUM proposal, which was approved by D.90-11-063, did not include ZUM for the Phelan central office because the V and H coordinates assigned to that office had indicated that all toll routes connecting that office were over 16 miles. The Commission acknowledged that many customers served by

the Phelan office had requested ZUM rates, but found there was no procedural or factual basis for expanding ZUM service to Phelan.

Contel's Amended Victor Valley ZUM Proposal

Since filing its approved Victor Valley ZUM proposal, Contel has reviewed the V and H coordinates for the Phelan central office and has determined that the assigned V and H coordinates had been miscalculated. The correct coordinates result in an airline distance from Phelan to Hesperia of 16 miles and distances from the Phelan to Adelanto, El Mirage, and Summit Valley central offices of less than 16 miles.

Contel now requests authority to divide the Wrightwood exchange into District Areas (Wrightwood and Phelan) and to provide ZUM service between Phelan and the communities of Hesperia, Adelanto, El Mirage, and Summit Valley. Contel claims that these additional routes satisfy all of the criteria used to develop the ZUM routes in the previously authorized Victor Valley proposal and result in uniformity of customer treatment.

Contel has attached a schedule of proposed ZUM routes for the Victor Valley area that incorporates the Phelan routes, a map clearly depicting the proposed district areas, and maps illustrating the rating of routes, depending on zone, between the district areas resulting from its modified Victor Valley ZUM proposal.

After notifying all Phelan customers by mail, Contel held a public meeting in Phelan on January 24, 1991, to allow these customers to advise Contel of any issues regarding their telephone service. Contel advised customers at the hearing that it was studying the feasibility of a service such as ZUM for Phelan. According to the Petition, Contel has notified all affected customers of this filing by bill insert.

Contel requests that D.90-11-063 be modified to authorize the additional ZUM routes proposed, and that Contel be authorized to file tariffs implementing the modification to be effective on

five days' notice. Contel offers to absorb in its normal operation the loss of toll revenues resulting from the application of ZUM rates to toll routes.

Comments of DRA

The "Comments of the Division of Ratepayer Advocates (DRA) on Petition of Contel of California, Inc. for Modification of D.90-11-063" were filed on February 22, 1991. DRA concurs with Contel's request to include Phelan as one of the points for originating and terminating ZUM routes in the Victor Valley ZUM plan. DRA supports Contel's offer to absorb the additional negative revenue requirement that would result from implementing this modification.

Discussion

It now appears that the Phelan rate center is within 16 miles of other central offices in the Victor Valley ZUM proposal. Routes of up to 16 miles are included in toll band 3. ZUM service has been authorized by this Commission for routes within toll bands 2 and 3. Phelan customers have already indicated a strong desire for ZUM rates in their previous correspondence to this Commission and at the public hearing held by Contel on January 24, 1991. The inclusion of Phelan in a revised Victor Valley ZUM proposal will result in uniform treatment of Contel's customers. Moreover, Contel's offer to absorb the decrease in revenues resulting from the conversion to ZUM rates ensures that no Contel ratepayers would be worse off as the result of adoption of Contel's amended Victor Valley ZUM plan.

D.90-11-063 should be modified to authorize the additional ZUM routes proposed by Contel. Contel should be authorized to file tariffs implementing the modification to be effective on five days' notice.

Findings of Fact

1. Certain toll routes originating within the Phelan central office are within 16 miles.

2. Phelan customers desire ZUM service.

3. The public interest will be served if the existing Wrightwood exchange is divided into two district areas, Wrightwood and Phelan.

4. ZUM implementation between Phelan and the communities of Hesperia, Adelanto, El Mirage, and Summit Valley involves routes that satisfy all of the criteria used to develop the ZUM routes in Contel's proposal authorized by D.90-11-063.

5. The inclusion of Phelan within the Victor Valley ZUM proposal adopted in D.90-11-063 will result in uniform treatment of Contel's customers.

6. Contel will absorb the decrease in revenues resulting from the inclusion of Phelan in the Victor Valley ZUM proposal in its normal operation.

Conclusions of Law

1. D.90-11-063 should be modified to include Phelan in the Victor Valley ZUM proposal and to divide the Wrightwood exchange into two district areas.

2. This decision should be implemented immediately because modification of D.90-11-063 is needed to rectify a factual error that inadvertently led to unequal treatment of similarly situated customers.

ORDER

IT IS ORDERED that:

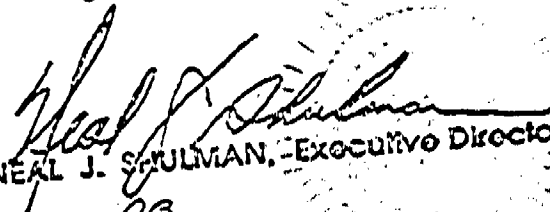
1. The Petition of Contel of California, Inc. for Modification of Decision No. 90-11-063 is granted.
2. Contel is authorized to file tariff sheets to implement this decision to be effective on five days' notice.

This order is effective today.

Dated May 8, 1991, at San Francisco, California.

PATRICIA M. ECKERT
President
G. MITCHELL WILK
JOHN B. OHANIAN
DANIEL Wm. FESSLER
NORMAN D. SHUMWAY
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY


NEAL J. SCHULMAN, Executive Director
203