

ORIGINAL

Decision No. 88309 JAN 10 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY for authority to consolidate its Feather Falls and Oroville Exchanges, eliminate the over and under 40-mile toll rating point of the Feather Falls Exchange, and reestablish the present Feather Falls base rate area of the Feather Falls Exchange as an island base rate in the Oroville Exchange.

Application No. 57684
(Filed November 14, 1977)

O P I N I O N

The Pacific Telephone and Telegraph Company (Pacific) in Application No. 57684 requests authority to consolidate its Feather Falls and Oroville Exchanges, to be identified as the Oroville Exchange, eliminate the under and over 40-mile toll rating point of the Feather Falls Exchange and reestablish the present Feather Falls base rate area of the Feather Falls Exchange as a special rate area in the Oroville Exchange.

The Feather Falls Exchange is located in Butte County approximately 18 miles northeast of Oroville. It covers 65 square miles. The economy is related to recreation. Pacific serves a total of 40 main stations consisting of 6 business and 33 residence services, and one public telephone in this exchange.

The Oroville Exchange, also in Butte County, is located in the foothills of the Sierras about 75 miles north of Sacramento. It covers 503 square miles. Oroville is the county seat of Butte County. Pacific serves a total of about 12,700 main stations consisting of 2,000 business and 10,700 residence services in the Oroville Exchange.

The Feather Falls and Oroville Exchanges are 17 rate miles apart and the initial one minute day station toll rate is \$0.17. Present exchange service rates are the same for both exchanges and are set forth in Appendix A attached hereto.

Pacific states a consolidation of the Feather Falls Exchange with the Oroville Exchange will require a gross construction expenditure of \$117,000. Annual charges on the total investment of \$117,000 amount to \$35,800. If consolidation is not authorized, Pacific indicates that necessary gross construction expenditures to upgrade the present facilities would amount to \$139,000.

Pacific estimates elimination of the Feather Falls toll rating point and recentering on Oroville will on the average reduce customers' toll charges. Consolidation of the Feather Falls Exchange with the Oroville Exchange will eliminate toll charges between the two exchanges.

Depending on their class of service, the conversion of the Feather Falls Base Rate Area to a Special Rate Area will result in an increase in monthly rates for most Feather Falls customers; however, this will be more than offset by the reductions in toll charges.

Pacific estimates that the proposed consolidation will result in an annual revenue loss of \$2,200 and total annual cost savings of \$7,000 which results in an annual positive net effect of \$4,800.

Customers in the Feather Falls Exchange were informed of the effects on them of the proposed consolidation. When polled, of the 40 customers, 34 were in favor and 4 were opposed.

The Commission finds that:

1. The present central office facilities at Feather Falls are inadequate in that they have limited capacity and cannot be equipped to provide direct distance dialing.
2. Construction and operating expenses will be lower if the Feather Falls and Oroville Exchanges are consolidated.
3. The proposed consolidation and establishment of a Feather Falls special rate area will raise exchange rates for customers in the Feather Falls Exchange.
4. The proposed consolidation will lower overall toll billing in the Feather Falls Exchange, primarily due to elimination of the toll rate between the Feather Falls and Oroville Exchanges.
5. The net effect on most customers will be a reduction in their total telephone bill.
6. The proposed consolidation, establishment of a Feather Falls special rate area, and rate changes are reasonable, are in both Pacific's and the customer's interest and should be granted in an ex parte basis.

O R D E R

IT IS ORDERED that within 18 months of the effective date of this order, The Pacific Telephone and Telegraph Company is authorized to concurrently:

1. Consolidate the Feather Falls Exchange with the Oroville Exchange.
2. Eliminate the Feather Falls Exchange toll rating point and rate Feather Falls' toll calls from the Oroville Exchange toll rating point.

3. Reestablish the base rate area in the Feather Falls Exchange as a special rate area in the Oroville Exchange.

4. Increase rates in the Feather Falls Special Rate Area as set forth in Appendix A attached hereto.

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

Dated at San Francisco, California, this 10th day of JANUARY, 1978.

Robert Bateman
President

William Symons, Jr.

Vernon L. Stegman

Charles D. Shavelle

Clare J. Daniels
Commissioners

APPENDIX A

PRESENT AND AUTHORIZED EXCHANGE RATES
FOR PRINCIPAL CLASSIFICATIONS OF SERVICE

Item	Rate Per Month*			
	Present		Authorized	
	Oroville	Feather Falls	Oroville	S.R.A.

Business

1-Party	\$14.55	\$14.55	\$14.55	\$17.15
2-Party	10.75	10.75	10.75	12.15
PBX Trunks	21.75	21.75	21.75	24.35
Semipublic	6.80	6.80	6.80	9.40
4-Party Suburban	#	11.00	11.00	#
8-Party Suburban	9.75	#	#	#
Farmer Line	4.15	#	4.15	4.55

Residence

1-Party	5.70	5.70	5.70	8.30
2-Party	4.75	4.75	4.75	6.15
4-Party	3.85	#	#	#
4-Party Suburban	#	4.90	4.90	#
8-Party Suburban	4.35	#	#	#
Farmer Line	2.20	#	2.20	2.60

* Plus suburban mileage charges for urban grades of service located outside base or special rate areas. Suburban service offered outside base or special rate areas.

Not offered. Pacific contemplates elimination of 8-Party service prior to or coincident with this consolidation.