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to Executive Director

RESOLUTION NO. T-11063

EVALUATION AND COMPLIANCE  
DIVISION

DATE: August 6, 1986

RESOLUTION

\_\_\_\_ Director  
\_\_\_\_ Numerical File \  
\_\_\_\_ Alphabetical File  
\_\_\_\_ Accounting Officer

**SUBJECT:** California-Oregon Telephone Company. Order authorizing the elimination of local measured service applicable to two-party line service in the Dorris and Mcdoel exchanges, resulting in an estimated annual revenue increase of approximately \$660. Resolution No. T-11063.

**WHEREAS:** CALIFORNIA-OREGON TELEPHONE COMPANY, by Advice Letter No. 103 filed July 17, 1986, requests authority under Section 454 of the Public Utilities Code to make effective the following tariff changes for its Dorris and Mcdoel exchanges:

1. To withdraw the two-party measured service;
2. To reinstate the two-party flat rate service;
3. To offer a 30-day waiver of service charges applicable to existing two-party customers upgrading to one-party service.

California-Oregon Telephone Company (Cal-Ore) in the Dorris and Mcdoel exchanges serves approximately 485 and 322 customers, respectively. Residential customers have a choice of one-party flat rate with mileage charges or two-party measured service with a \$3.00 usage allowance per month and no mileage charge. Business customers also have the same option except there is no \$3.00 usage allowance. The measured rates were authorized on June 30, 1983 when the Dorris and Mcdoel exchanges were owned by Dorris Telephone Company, which later merged with California-Oregon Telephone Company on November 11, 1983.

Universal Lifeline Telephone Service (ULTS) subscribers as ordered by Commission Decision No. 84-04-053 must subscribe to measured service where it is offered. Therefore, the only service available to ULTS subscribers in the Dorris and Mcdoel exchanges is the two-party measured service, offered with an allowance of 60 untimed free local calls per month.

At present, customers in the Dorris and Mcdoel exchanges are the only ones in the State of California who must take the two-party measured service when subscribing to ULTS. In all of the other telephone companies including Cal-Ore's other exchanges, one-party service is available to ULTS subscribers. Furthermore, no other telephone companies in the state provide residential or business two-party measured service.

Cal-Ore proposes in its Advice Letter to eliminate the two-party measured service and replace it with a two-party flat rate service. The proposed change allows Cal-Ore's local access line service offering to be consistent with those offered by the other telephone companies and its other exchanges.

The proposed elimination will affect the existing 299 residential and 19 business two-party measured service customers, who will automatically receive two-party flat rate service with no change in their monthly rate. It is projected that approximately two-thirds of the 154 ULTS customers will upgrade to one-party service. Approximately 90% of these customers reside within the base rate area, and therefore will not be subjected to any mileage charges when subscribing to one-party service.

Cal-Ore also requests in its Advice Letter for a 30-day waiver of service charges to existing two-party customers requesting one-party service. The waiver shall be effective for 30 days after the effective date of the tariff revisions discussed herein. The reason for this waiver is to provide relief to the ULTS subscribers who would like to upgrade to one-party once this service is made available to them.

It is estimated that the proposed tariff revision will increase the utility's annual revenue by approximately \$680 based on estimates of increased revenue from upgrades, loss of measured usage revenue and cost savings from reduction of administrative time to maintain the service.

The following table shows the present rates and the rates authorized by this Resolution:

<u>Local Exchange Service</u>		
<u>Service</u>	<u>Present Monthly Rate</u>	<u>Authorized Monthly Rate</u>
<b>Residence</b>		
1-Party Flat	\$12.95*	12.95*
1-Party Flat (SRA)	19.35	19.35
2-Party Flat	-	11.95
2-Party Measured	11.95	**
with \$3.00 allowance***		
<b>Business</b>		
1-Party Flat	19.75*	19.75*
1-Party Flat (SRA)	26.15	26.15
2-Party Flat	-	17.25
2-Party Measured	17.25	**
with no allowance***		
PBX Trunk	29.65	29.65
PBS Trunk (SRA)	36.05	36.05

\* Plus applicable mileage charges.

\*\* Service withdrawn.

\*\*\* Usage charges applicable to each message are 4 cents for the first minute or portion thereof and 1.5 cents for each additional minute or portion thereof.

The Commission finds as facts that the elimination of the two-party measured service, the offering of the two-party flat rate service and the 30-day waiver of service charges are reasonable; and good cause appearing,

IT IS ORDERED that:

(1) Authority is granted to make the above revisions effective on October 1, 1986.

(2) Cal-Ore shall notify its customers of the elimination of the two-party measured service, the introduction of the two-party flat rate service and the 30-day waiver of service charges for upgrading to one-party service in the September 1986 billing cycle.

(3) All tariff sheets filed under Advice Letter No. 103 shall be marked to show that such sheets were authorized by Resolution of the Public Utilities Commission of the State of California No. T-11063.

The effective date of this Resolution is today.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular meeting of the Public Utilities Commission of the State of California, held on August 6, 1986, the following Commissioners voting favorably thereon:

DONALD VIAL  
President  
VICTOR CALVO  
PRISCILLA C. GREW  
FREDERICK R. DUDA  
STANLEY W. HULETT  
Commissioners



Executive Director