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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY & COMPLIANCE DIVISION  
Telecommunications Branch

RESOLUTION NO. T-13096  
September 7, 1989

R E S O L U T I O N

CITIZENS UTILITIES COMPANY OF CALIFORNIA. ORDER AUTHORIZING A DEVIATION FROM FILED TARIFF SCHEDULES TO WAIVE THE SERVICE CHARGES ASSOCIATED WITH CUSTOMER'S ORDER TO CHANGE FROM MULTI-PARTY SERVICE TO SINGLE PARTY SERVICE IN THE OLD STATION SPECIAL RATE AREA (SRA) AND THE HAT CREEK SRA OF THE BURNEY EXCHANGE, ON LESS THAN REGULAR NOTICE.

SUMMARY

Citizens Utilities Company of California (Citizens) by Advice Letter No. 466 filed August 11, 1989, requests authority:

1. Under Section 532 of the Public Utilities Code, to waive the service charges associated with customer's order to convert from multi-party service to single party service in the Hat Creek SRA and Old Station SRA of the Burney Exchange for a 60-day period. This period to start five (5) days after the effective date of the tariff sheets associated with the advice letter to allow Citizens to conduct proper notification of customers.
2. Under Section V, B. of General Order No. 96-A, to grant less than forty (40) day notice to this Advice Letter.

Although there will be a loss of revenue due to the waived service charges, the convenience of a single party service will attract current multi-party subscribers and new subscribers to convert/subscribe to better telephone service. The mileage savings that will be derived due to the timely establishment of the Hat Creek SRA and the Old Station SRA is another factor that may help generate subscriptions, which will eventually compensate Citizens Utilities for the waived service charges.

Less than forty (40) day notice is requested due to the pressing demand of residents in and out of both SRAs for more affordable single party line service.

BACKGROUND

Citizens Utilities' Advice Letter No. 466 also establishes the boundaries and rates for the Old Station SRA and the Hat Creek SRA located within their Burney Exchange.

An SRA is an outlying section of the exchange area which is clearly separated from the Base Rate Area (BRA). A BRA is the primary area of an exchange. It is a densely built up section where the basic exchange access rates apply without any mileage charges. In an SRA, a special rate treatment is applicable without any mileage charges. This special rate recognizes the fact that it is more costly to provide telephone service to an area which is some distance from, and is less densely developed than the BRA.

The creation of the Old Station SRA and the Hat Creek SRA and the installation of switching facilities therein is part of Citizens Utilities' objective of providing improved service and more affordable rates to a larger customer base.

Subscribers located outside the SRA will benefit from the establishment of the SRA because mileage charge will be measured from customer location to the nearest SRA or BRA, whichever is less. In addition to the mileage charge, the basic rate of the SRA or BRA applies.

The service connection and change charges being waived are:

	<u>Res.</u>	<u>Bus.</u>
1. For moving or changing existing service and party line equipment, or adding new or additional service and party line equipment, other than Central Office Lines	7.50	11.00
2. Central Office Connection Work, per line or trunk	15.00	25.00

DISCUSSION

The establishment of Old Station SRA and Hat Creek SRA brings single party service to subscribers in the areas and contiguous areas of the SRA at significantly reduced monthly rates. Those in contiguous areas will be benefited because mileage will be measured from the SRA instead of the BRA. This will bring about a significant savings on mileage charges.

At present there are 12 single party subscribers in the Hat Creek area and 14 single party subscribers in Old Station area.

There are approximately 150 multi-party subscribers in and out of the Old Station SRA and the Hat Creek SRA.

Less than 40 days notice is requested by Citizens because:

1. The offering is in the interest of customers in and out of the Old Station SRA and the Hat Creek SRA.
2. In line with the upgrading of facilities and to achieve better administration thereof, the utility wishes to promote 1-party service at affordable rates to more customers.

Estimated savings for 1-party service within the SRA are as follows:

1-Party Flat, Residence - prior to conversion to SRA

Hat Creek

Basic Burney BRA rate	-	\$12.75
Mileage Charge, 7 miles	-	<u>30.80</u>
Total Monthly Charge		\$43.55

Old Station

Basic Burney BRA rate	-	\$12.75
Mileage Charge, 17 miles	-	<u>74.80</u>
Total Monthly Charge		\$87.55

1-Party Flat, Residence - SRA monthly rate

Hat Creek	-	\$17.15
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Savings (43.55 - 17.15)	=	\$26.40
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Old Station	-	\$19.35
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Savings (87.55 - 19.35)	=	\$66.20
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Sample savings (estimated) for 1-party service outside the Hat Creek SRA are as follows:

For those residing 2 miles away from the SRA and 7 miles away from the BRA:

Mileage Charge computed from the SRA	-	\$ 8.80
SRA basic rate	-	<u>17.15</u>
Total monthly charge	-	\$25.95

Mileage Charge computed from the BRA	-	\$30.80
BRA basic rate	-	<u>12.75</u>
Total monthly charge	-	\$43.55

Savings	-	\$17.60
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There is a significant amount of savings on mileage charges for both customers within the SRA and those in areas contiguous to the SRA.

The current 4-party suburban rate is \$11.75 per month. For an additional \$5.40 or \$7.60 per month, multi-party subscribers in the Hat Creek SRA or Old Station SRA will have the option to convert to 1-party line and enjoy the benefits of a single party line and the features of modern telephone service.

Assuming that 50% of the 150 multi-party subscribers will switch from multi-party service to 1-party service, the promotional expense to Citizens is \$1,687.50.

Citizens plans to notify by mail, affected customers regarding the option to convert from multi-party service to single party service within five (5) days from the effective date of the tariff sheets associated with Advice Letter No. 466.

FINDINGS

We find that the rates, charges and conditions authorized in this resolution are just and reasonable; therefore, good cause appearing,

IT IS ORDERED that:

- (1) Citizens is granted authority to deviate from filed tariff schedules and waive the applicable service connection and change charges relating to customer requests to convert from multi-party service to 1-party service in the Old Station SRA and Hat Creek SRA, Burney Exchange, for a period of sixty (60) days commencing September 13, 1989.
- (2) Authority is granted to make the tariff sheets associated with Citizens' Advice Letter 466 effective September 8, 1989, on less than regular notice of forty (40) days.
- (3) Citizens shall notify by mail, affected customers regarding the offering and option to convert from multi-party service to single party service within five (5) days from September 8, 1989.
- (4) Citizens shall provide the Director of the Commission Advisory and Compliance Division a copy of the notification letter to affected customers.

- (5) All tariff sheets associated with Citizens' advice letter filing shall be marked to show that they have been authorized by Commission Resolution T-13096.
- (6) The effective date of this Resolution is September 8, 1989.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on September 7, 1989. The following Commissioners approved it:

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
STANLEY W. HULETT  
JOHN B. O'HANRAN  
PATRICIA M. ECKERT  
Commissioners

*Wesley Franklin*  
WESLEY FRANKLIN  
Acting Executive Director