

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY AND COMPLIANCE BRANCH
Telecommunications BranchRESOLUTION T-14186
October 24, 1990R E S O L U T I O N

RESOLUTION T-14186. BEAVER STATE TELEPHONE COMPANY.
REQUEST TO WITHDRAW MULTI-PARTY SERVICE IN THE NEW PINE
CREEK EXCHANGE FROM NEW CUSTOMERS AND TO OFFER ONE-PARTY
EXCHANGE ACCESS SERVICE TO EXISTING AND NEW CUSTOMERS.

BY ADVICE LETTER No. 2, FILED ON AUGUST 31, 1990.

SUMMARY

This resolution authorizes Beaver State Telephone Company's request to:

- (1) Withdraw Multi-Party service throughout the New Pine Creek Exchange from new customers.
- (2) Offer One-Party Exchange Service to all new customers and to existing customers who choose to convert from Multi-Party service.

Beaver State Telephone Company (Beaver), which is now a subsidiary of Pacific Telecom, Inc. as part of Telephone Utilities of Eastern Oregon Inc. (TUEO), intends to adopt the Oregon Public Utility Commission's policy of eliminating Multi-Party service and exchange mileage rates in the State of Oregon. A new transmission facility was extended into the New Pine Creek area in California so that One-Party service could be provided. With this facility, connection will be made to the digital switch serving Oregon's Lakeview exchange.

The New Pine Creek Exchange has been included in the Eugene, Oregon LATA for access purposes. Toll calls to and from customers in New Pine Creek Exchange are treated as if New Pine Creek is a California point, although the actual central office is in Lakeview, Oregon. New Pine Creek residents have Extended Area Service (EAS) to Lakeview.

The proposed One-Party rates of \$8.75 per month (residence) and \$16.01 per month (business) for New Pine Creek customers are identical to those in effect for the Lakeview, Oregon Exchange prior to the September 1, 1990 rate increase for all Oregon exchanges. No exchange mileage charges will be assessed to the

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upgraded local One-Party exchange customers, and Touch-Call dialing service will be provided at no additional charge. No Non-Recurring installation charge will apply for the conversion to One-Party service within 90 days of the effective date of this tariff. TUEO, where practicable, will assist in modifying the multi-party frequency ringers of customers' telephones if they choose to retain their present rotary dial instruments.

BACKGROUND

Beaver was merged into the Blue Mountain Telephone Company on May 31, 1978. On the same date, the name was changed to Telephone Utilities of Eastern Oregon, Inc. (TUEO), which is a subsidiary of Pacific Telecom, Inc. New Pine Creek is primarily a rural community divided by the Oregon/California border. Switching is currently performed by obsolete equipment located in TUEO's Lakeview, Oregon Exchange. Lakeview, Oregon is the community of interest for New Pine Creek. TUEO's service territory extends approximately 27 miles into Modoc County, California, and telecommunications service is currently provided by a transmission facility that does not permit One-Party service. There are currently 93 access lines in the New Pine Creek area serving 89 residence and 4 business customers. Little, if any, growth is projected for the New Pine Creek area in the foreseeable future. New Pine Creek customers have a separate 946 NNX prefix. The Lakeview prefix is 947. New Pine Creek customers are billed from the TUEO centralized billing department and the bill indicates that it is from Telephone Utilities of Eastern Oregon, Inc. The New Pine Creek Exchange has been included in the Eugene, Oregon LATA for access purposes. Toll calls to and from customers in New Pine Creek Exchange are treated as if New Pine Creek is a California point, although the actual central office is in Lakeview, Oregon. New Pine Creek residents have EAS to Lakeview.

Service to New Pine Creek customers is currently offered under the Beaver State Telephone Company's California P.U.C. Tariff filed on April 14, 1972 and approved by Resolution T-7709 in June 1972. There have been no local exchange rate adjustments or other tariff revisions since that time. TUEO agreed to adopt the Oregon Public Utility Commission's policy of eliminating Multi-Party service and exchange mileage rates in the State of Oregon. TUEO plans to have One-Party Local Exchange Service and eliminate exchange mileage rates in all of its Oregon Exchanges by the end of 1990. As part of the TUEO's Lakeview, Oregon upgrade, a new transmission facility was extended into the New Pine Creek area in California so that One-Party service could be provided.

The proposed One-Party rates of \$8.75 per month (residence) and \$16.01 per month (business) for New Pine Creek customers are identical to those in effect for the Lakeview, Oregon Exchange prior to the September 1, 1990 rate increase for all Oregon exchanges. Any future rate increases proposed for the Lakeview Exchange will not be reflected in the proposed New Pine Creek rates.

In addition, no exchange mileage charges will be assessed to the upgraded local One-Party exchange customers, and Touch-Call dialing service will be provided at no additional charge. No Non-Recurring installation charge will apply for the conversion to One-Party service within 90 days of the effective date of this tariff. TUEO, where practicable, will assist in modifying the multi-party frequency ringers of customers' telephones if they choose to retain their present rotary dial instruments. Switching will be performed by the Lakeview digital switch.

Annual local exchange revenues are currently only \$5,200. If all the customers subscribed to One-Party service, the annual revenues would increase to \$10,135. Since the last tariff revision was made in 1972, TUEO intends to make a complete review of the tariff and update it to conform with current FCC and CPUC rules. Because this filing is made as a temporary stopgap to satisfy a substantial growing demand for One-Party service by New Pine Creek customers, TUEO requests the Commission to review and approve this filing prior to any other revisions that may be required.

DISCUSSION

Beaver's request for withdrawal of Multi-Party Service and to offer One-Party Service in the New Pine Creek Exchange for new customers will allow Beaver to offer better service, more features, and the economic benefits of the digital switch. This request is necessary for the grades of service to be compatible with the capabilities of the new digital switch. A digital switch provides improved service, additional features and reduces ongoing maintenance costs caused by premises visits required to check Multi-Party facilities.

A new transmission facility was extended by TUEO into the New Pine Creek area in California so that One-Party Service can be provided. With this facility, connection will be made to the digital switch serving Lakeview.

Beaver currently offers its lowest grade of service (Multi-Party) free of mileage charges. After the withdrawal of Multi-Party service, discussed previously, One-Party service will be Beaver's only grade of service except for those existing customers who choose to retain Multi-Party service. There are currently 89 residence and 4 business customers with Multi-Party service inside the Lakeview Exchange. The current Multi-Party rate is \$4.55 per month (residence) and \$7.20 per month (business). For an additional \$4.20 (residence) and \$8.81 (business) per month, Multi-Party subscribers in the New Pine Creek area will have the option to convert to One-Party service and enjoy the benefits of a single-party line and the features of modern telephone service.

Beaver's customers will have the following benefits:

- 1) Exclusive use of their telephone line.
- 2) Exchange mileage charges will not apply.
- 3) Touch-Call dialing is available at no extra charge.
- 4) No installation charges for the upgrade to One-Party service will apply for 90 days subsequent to the effective date of this tariff.
- 5) TUEO will assist at no charge, where practicable, in making the ringer in the customer's rotary telephone set compatible with the One-Party ringing frequency.

Moreover, subsequent to this filing, TUEO plans to file for additional optional services currently not available in New Pine Creek. Based on the numerous benefits which Beaver customers are likely to receive, and the choice being given to existing customers to convert or retain their present service, the CACD recommends that the Commission authorize this request.

PROTESTS

Beaver sent a customer notice of this proposed change in service to New Pine Creek customers concurrent with filing this Advice Letter. No protests have been received by Beaver. The Commission Advisory and Compliance Division (CACD) has received no protests to Advice Letter No. 2.

FINDINGS

1. Service to New Pine Creek customers is currently offered under the Beaver State Telephone Company's California P.U.C. Tariff filed on April 14, 1972 and approved by Resolution T-7709 in June 1972.
2. TUEO plans to have One-Party Local Exchange Service and eliminate exchange mileage rates in all of its Oregon Exchanges by the end of 1990.
3. Beaver sent a customer notice of this proposed change in service to New Pine Creek customers concurrent with filing this Advice Letter. The CACD has received no protests to this Advice Letter No. 2.
4. Beaver's request for withdrawal of Multi-Party Service and to offer One-Party Service in the New Pine Creek Exchange for new customers will allow Beaver to offer better service, more features, and the economic benefits of the digital switch.

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5. No exchange mileage charges will be assessed to the upgraded local One-Party exchange customers, and Touch-Call dialing service will be provided at no additional charge.
6. No Non-Recurring installation charge will apply for the conversion to One-Party service within 90 days of the effective date of this tariff.
7. TUEO, where practicable, will assist in modifying the multi-party frequency ringers of customers' telephones if they choose to retain their present rotary dial instruments.
8. Based on the numerous benefits which Beaver customers are likely to receive, and the choice being given to existing customers to convert or retain their present service, the CACD recommends that the Commission authorize this request.

THEREFORE, IT IS ORDERED that:

1. Beaver State Telephone Company's request in Advice Letter No. 2 is authorized to withdraw Multi-Party service in the New Pine Creek Exchange from new customers, and to offer One-Party Exchange Access Service to all new customers and to existing customers who wish to change their service.
2. The following conditions apply:
 - a. Touch-Call dialing is available at no extra charge.
 - b. No mileage charges are applicable for the Local Exchange Service.
 - c. Upgrade to One-Party Service will be available without installation charges for 90 days subsequent to the effective date of this tariff.
 - d. TUEO will assist at no charge, where practicable, in making the customer's rotary telephone set compatible with the One-Party ringing frequency.
 - e. TUEO will ensure that all existing and new customers of the New Pine Creek Exchange are immediately and fully informed of all the terms and conditions of One-Party Service; particularly the waiver of the Non-Recurring installation charge for upgrades within 90 days of the effective date.

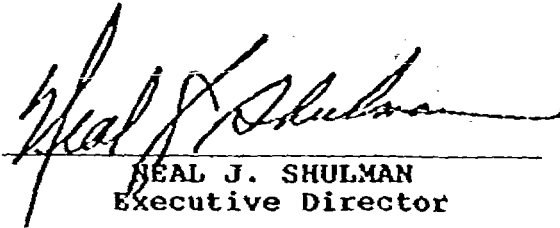
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3. Advice Letter No. 2 and the accompanying tariff sheets shall be marked to show that they were authorized by Resolution No. T-14186 and its effective date.
4. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on October 24, 1990. The following Commissioners approved it:

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
PATRICIA M. ECKERT
Commissioners

Commissioner John B. Ohanian,
being necessarily absent, did
not participate.



NEAL J. SHULMAN
Executive Director