



PENNSYLVANIA  
PUBLIC UTILITY COMMISSION  
Harrisburg, PA 17120

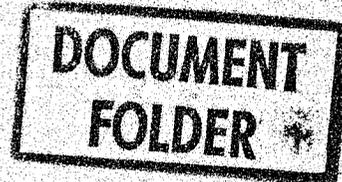
Public Meeting held September 17, 1987

Commissioners Present:

Bill Shane, Chairman  
Linda C. Taliaferro  
Frank Fischl  
William H. Smith

Application of Commonwealth Telephone Company and The United Telephone Company of Pennsylvania for approval of (1) the transfer, by sale, of certain telephone equipment of the latter to the former, (2) the right of the Commonwealth Telephone Co. to begin to offer or furnish telephone service to the public in the Uhlerstown exchange located in Bucks County and (3) the abandonment by The United Telephone Company of Pennsylvania of all telephone service to the public in the Uhlerstown exchange.

A-310800, F.002

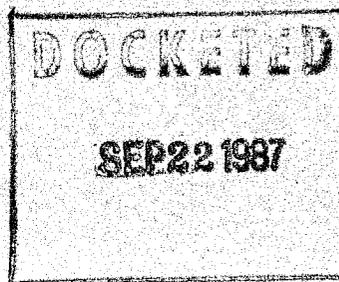


O R D E R

BY THE COMMISSION:

By this joint application filed on July 14, 1987, Commonwealth Telephone Company (Commonwealth) and The United Telephone Company of Pennsylvania (United) seek Commission approval of (1) the transfer by sale of certain telephone facilities of United to Commonwealth, (2) the right of Commonwealth to begin to offer or furnish telephone service to the public in the Uhlerstown exchange located in Bucks County and (3) the abandonment by United of all telephone service to the public in the Uhlerstown exchange.

United is a Pennsylvania corporation which provides telephone service of all kinds, including both local exchange and long distance in various counties throughout Pennsylvania which includes the Uhlerstown exchange located in Bucks County. United as of December 31, 1986 had 249,071 access lines in its Pennsylvania operations.



Commonwealth and United entered into an agreement dated May 8, 1987, whereby United will sell to Commonwealth its entire interest and facilities in the Uhlerstown exchange for \$597,970 plus outstanding accounts receivables from its operation of the Uhlerstown exchange. The 733 customers now served by United will be transferred and served by Commonwealth through its existing Ferndale exchange which is directly adjacent to the Uhlerstown exchange of United. The Uhlerstown exchange is presently served by United as a theoretical exchange from its Uhlerstown, New Jersey central office. With the sale and acquisition, Commonwealth will serve the area (Uhlerstown Theoretical Exchange) as a theoretical exchange from its Ferndale exchange.

The Uhlerstown exchange customers will receive an immediate expansion in their local service calling area, resulting in annual savings of \$21,389.52 when Commonwealth will include the Ferndale exchange in the Uhlerstown local service area. No other changes are contemplated and the Uhlerstown customers will continue to receive the same calling privileges as they now have plus local calling to the Ferndale exchange at the same rates presently charged for local service by United.

The original cost of the facilities to be transferred is \$689,639.78 which after accumulated depreciation of \$213,353.98 results in a net book value of \$476,285.80.

Applicants submitted proofs of service and publication. In addition, each customer was notified by letter of the proposed sale and transfer. No protests or motions have been filed.

Applicants aver that the approval of the sale and transfer of facilities is necessary and proper for the following reasons:

1. United's Uhlerstown exchange is isolated from its other telephone operations in Pennsylvania, causing administrative and maintenance difficulties for United in providing services to its Uhlerstown customers. Commonwealth has existing telephone service facilities directly adjacent to the Uhlerstown exchange from which it will be able to provide efficient and effective service to the Uhlerstown customers.
2. In addition to the increase in the local calling area, the customers in the Uhlerstown exchange should also realize a substantial savings in their toll charges (approximately \$38,335.08 annually). Upon completion of the sale and transfer Uhlerstown customers will be within the Philadelphia LATA and will see a

lower charge for the intrastate, intralata calls without a corresponding increase in their interstate, interlata calling charges.

3. Applicants will both be in a better position to continue providing quality telephone service at reasonable rates to their respective customers following this natural realignment of their respective territories.

The Boards of Directors of both companies have approved the sales agreement. Applicants are not affiliated and the sale price was determined by arms-length negotiations.

Applicants will record the sale and transfer of the facilities in accordance with the Uniform System of Accounts prescribed by the Commission for telephone companies.

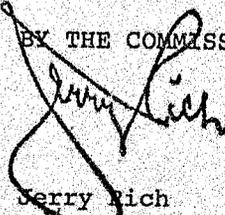
Upon full consideration of all matters of record we find that the proposed sale of facilities by United to Commonwealth, the beginning of service by Commonwealth in the Uhlerstown exchange and the abandonment of service by United is necessary and proper for the service and convenience of the public; THEREFORE,

IT IS ORDERED:

1. That the joint application of Commonwealth Telephone Company and The United Telephone Company is hereby approved.

2. That appropriate certificates of public convenience be issued authorizing (1) the transfer of facilities of The United Telephone Company of Pennsylvania to Commonwealth Telephone Company, (2) the right of Commonwealth Telephone Company to furnish service to the public in the Uhlerstown exchange area and (3) the abandonment of all telephone service in Uhlerstown exchange area by The United Telephone Company of Pennsylvania.

BY THE COMMISSION,

  
Jerry Rich  
Secretary

(SEAL)

ORDER ADOPTED: September 17, 1987

ORDER ENTERED: September 17, 1987