

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

**DOCUMENT
FOLDER**

A-310800, F.003

Application of Commonwealth Telephone Company and The United Telephone Company of New Jersey, Inc., 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 Company to begin to offer or furnish telephone service to the public in the Belvedere exchange located in Northampton County and (3) the abandonment by the United Telephone Company of New Jersey, Inc. of all telephone service to the public in the Belvedere exchange.

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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 New Jersey, Inc. (United N.J.), seek Commission approval of (1) the transfer by sale of certain facilities by United N.J. to Commonwealth, (2) the right of Commonwealth to begin to offer or furnish telephone service to the public in the Belvedere exchange located in Northampton County and (3) the abandonment by United N.J. of all telephone service to the public in the Belvedere exchange.

United N.J. is a New Jersey Corporation, formerly West Jersey Telephone Company (West Jersey). On April 9, 1976 West Jersey was acquired by United Telecommunications, Inc., the parent company of the United Telephone System Companies. On June 30, 1987 West Jersey was merged with and into United Telephone Company of New Jersey, Inc., which now provides service to the public in the Belvedere exchange in Pennsylvania.

Commonwealth, a Pennsylvania corporation, provides telephone service including local exchange and long distance service to the public in various counties including Northampton County within Pennsylvania. The total number of access lines of Commonwealth on December 31, 1986 was 153,945.

Commonwealth and United N.J. entered into an agreement dated May 8, 1987 whereby United N.J. will sell to Commonwealth its entire interest and facilities in the Belvedere exchange for \$165,030 plus United N.J. outstanding accounts receivable for its operation of the Belvedere exchange. United N.J. now services approximately 197 customers in the Belvedere exchange who upon approval of this application will be transferred and served by Commonwealth through its existing Bangor exchange which is directly adjacent to the Belvedere exchange of United N.J. The Belvedere exchange is presently served by United N.J. from its Belvedere New Jersey central office. With the sale and acquisition Commonwealth will serve the area (Belvedere theoretical exchange) from its Bangor exchange on a theoretical exchange basis.

The Belvedere exchange customers will receive an immediate expansion of their local service calling area resulting in annual savings of \$5,101.06 when Commonwealth includes the Bangor exchange in the Belvedere local service area. No other changes are contemplated and the Belvedere customers will continue to receive the same calling privileges as they now have plus calling to the Bangor exchange at the same rates presently charged for local service by United N.J.

The original cost of the facilities to be transferred is \$197,489.00 which after accumulated depreciation of \$84,592.40 results in a net book value of \$112,896.60.

Applicants submitted proofs of service and publication. In addition, each Belvedere exchange 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 N.J. Belvedere exchange is its only Pennsylvania operation and is separated by the Delaware River from United N.J. primary telephone operations in New Jersey. The separation causes administrative and maintenance difficulties for United N.J. in providing

services to its Belvedere customers. Commonwealth has existing telephone facilities directly adjacent to the Belvedere exchange from which it will be able to provide efficient and effective service to the Belvedere customers.

2. In addition to the increased local calling area, the customers in the Belvedere exchange should also realize substantial savings in their toll charges (approximately \$7,944.00 annually). Upon completion of the transfer, Belvedere 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 service areas.

The Board of Directors of both companies have approved the sales agreement. Applicants are not affiliated and the sales price was determined by arm-length negotiation.

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 N.J. to Commonwealth, the beginning of service by Commonwealth in the Belvedere exchange and the abandonment of service by United N.J. 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 of New Jersey, Inc. is hereby approved.

2. That appropriate certificates of public convenience be issued authorizing (1) the transfer of facilities of The United Telephone Company of New Jersey, Inc. to Commonwealth Telephone

Company, (2) the right of Commonwealth Telephone Company to furnish service to the public in the Belvedere exchange area and (3) the abandonment of all telephone service in the Belvedere exchange area by The United Telephone Company of New Jersey, Inc.

BY THE COMMISSION,



Jerry Rich
Secretary

(SEAL)

ORDER ADOPTED: September 17, 1987

ORDER ENTERED: September 17, 1987