

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of )  
KERMAN TELEPHONE COMPANY, a corpora- )  
tion, for a certificate of public )  
convenience and necessity, authoriz- )  
ing it to extend its lines and ser- )  
vice into Biola and surrounding )  
territory. )

Application No. 8813.

- Ernest Irwin for Kerman Telephone Company.
- F. L. McNally for The Pacific Telephone & Telegraph Co.
- C. B. Woolten for Kerman Chamber of Commerce.
- O. Norrell for Biola Chamber of Commerce.

WHITTLESEY Commissioner:

**ORIGINAL**

O P I N I O N

Kerman Telephone Company, applicant in this proceeding is a corporation owning and operating a telephone exchange in the town of Kerman, Fresno County, and furnishing telephone service in the town and adjacent territory. On April 26, 1922, Kerman Telephone Company, in Application No. 7807, applied to the Railroad Commission for a certificate of public convenience and necessity to legalize the extension of its lines and service into the town of Biola and adjacent territory. Biola is situated about six miles airline from the town of Kerman and about fourteen miles from Fresno.

A public hearing in the matter was held in Fresno June 6, 1922, before Examiner Westover. Together with other evidence at this hearing there was received a petition, signed by some seventy-nine business firms and residents of Biola and vicinity, addressed to The Pacific Telephone & Telegraph Company, requesting it to furnish the Biola community local and long distance service. The Commission in its Decision No. 10905, dated August 24, 1922, denied this application and expressed its opinion that The Pacific

Telephone and Telegraph Company should establish an exchange at Biola.

Kerman Telephone Company on September 14, 1922, made application for a rehearing in Application No. 7807. The Commission in Decision #11308 dated December 5, 1922, denied this application.

On March 16, 1923, Kerman Telephone Company in Application No. 8813 made application for authority to extend its lines and service into Biola and surrounding territory. In this application Kerman Telephone Company alleged that owing to the satisfactory telephone service then being furnished by it to subscribers in the Biola territory a change in sentiment had taken place and Biola subscribers were then generally satisfied with their service. This improvement in service was accounted for by the fact that the previous overloading of the lines to Biola had been relieved by the building of new circuits. Accompanying the Application was a petition with some one hundred twenty-six signatures of residents of the Kerman and Biola districts requesting that the matter of the Biola service be reopened with the idea of keeping the district under one exchange. Petitions were received from both the Kerman Chamber of Commerce and Biola Chamber of Commerce in which the Commission was requested to reopen the matter of the Biola service and to allow Kerman Telephone Company to render service throughout both towns and the surrounding community.

A public hearing in this matter was held in Kerman on May 9, 1923. Much publicity had been given the notice of the hearing so that all those interested in the matter could be present and be heard if they so desired. Numerous witnesses from both Biola and Kerman districts testified and all expressed the same desire that the entire Kerman and Biola district be served from the one exchange. The Pacific Telephone & Telegraph Company stated that the entire territory of Biola, Kerman and vicinity should be

served as one district and that the boundary line between this district and the exchange districts of The Pacific Telephone & Telegraph Company should be established as Dickinson Avenue south from the San Joaquin River. No protest was made against the granting of the certificate to Kerman Telephone Company.

Kerman Telephone Company desires to make effective in Biola district the rates now in effect in Kerman district which are those provided by the Commission's Decision No. 9457.

Pending the establishment of an exchange in Biola by The Pacific Telephone & Telegraph Company, Kerman Telephone Company offered four party business service, effective within the town limits of Biola only, and establishing a monthly per station rate of \$3.50 and such rate has been in effect since July 20, 1922. Kerman Telephone Company contended that this special rate was necessary since its monthly four-party per station rate of \$2.00 for wall set and \$2.25 for desk set when increased by a mileage charge varying from \$5.50 to \$6.00 per month and making a total rate of from \$7.50 to \$8.00 per month for wall sets and \$7.75 to \$8.25 for desk sets, would be excessive and render its service undesirable. Therefore Kerman Telephone Company at the hearing requested authority to make effective a special rate for four-party business service within the town limits of Biola only.

Both The Pacific Telephone and Telegraph Company and Kerman Telephone Company have been furnishing service in Biola and vicinity. At this time The Pacific Telephone & Telegraph Company has one service within the town limits of Biola and others in the surrounding territory. The furnishing of telephone service in the Biola district by both telephone companies is wrong in principle and I believe that the double service should be discontinued.

On June 5, 1923, The Pacific Telephone & Telegraph Company requested this Commission to withdraw its application, for authority to establish an exchange at Biola. This request was granted June 14, 1923.

I therefore recommend that Kerman Telephone Company be authorized to extend its lines and service into Biola and vicinity and that all present and prospective telephone subscribers in the Kerman and Biola territory be offered Kerman service and that The Pacific Telephone & Telegraph Company discontinue all exchange service in this district west of a line parallel to and five hundred feet west of Dickinson Avenue and that the Kerman Telephone Company reimburse The Pacific Telephone & Telegraph Company for its investment in that territory and that Kerman Telephone Company discontinue all telephone exchange service in The Pacific Telephone & Telegraph Company territories east of a line parallel to and five hundred feet west of Dickinson Avenue and that The Pacific Telephone & Telegraph Company reimburse Kerman Telephone Company for its investment in that territory.

O R D E R

Kerman Telephone Company, a corporation, having made application for a certificate of public convenience and necessity authorizing it to extend its lines and service into Biola and surrounding territory, a public hearing having been held, the matter having been submitted and ready for decision, and it appearing that public convenience and necessity require that Kerman Telephone Company furnish telephone service in Biola and vicinity.

The Railroad Commission Declares that present and future public convenience and necessity require the construction by the Kerman Telephone Company of an extension of its telephone lines for the service of the Town of Biola and territory adjacent thereto, provided that a line parallel to and five hundred feet west of Dickinson Avenue be and the same is hereby established as the eastern boundary line which shall separate the enlarged exchange district of Kerman Telephone Company from the exchange districts of The Pacific Telephone & Telegraph Company and further provided that

the rates and charges which are effective in the present Kerman exchange district shall be effective in Biola and surrounding territory and that the following rate be filed with this Commission within fifteen days and be made effective within the corporate limits only of Biola within thirty days from the date of this order.

RATE PER MONTH BUSINESS SERVICE.

	<u>Wall Set</u>	<u>Desk Set</u>
Four-party line per station	\$3.50	\$3.75

IT IS HEREBY ORDERED that The Pacific Telephone & Telegraph Company shall be and it is hereby authorized to discontinue within twelve months from the date of this order all telephone exchange service in the Kerman exchange district west of the eastern boundary line herein established and that Kerman Telephone Company be and it is hereby authorized to discontinue within the same period all telephone exchange service in The Pacific Telephone & Telegraph Company's exchange territories east of this line.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 27<sup>th</sup> day of July, 1923.

C. S. Sweeney

H. H. B. B. B. B.

J. J. J. J. J.

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Commissioners.