

Decision No. 12628

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application  
of The Reedley Telephone Company  
for permission to change its  
Reedley-Pinehurst line from a  
combination suburban and toll  
line to a toll line and for a  
certificate of public convenience  
and necessity to establish  
exchanges at Squaw Valley, Dunlap  
and Pinehurst.

Application No. 9103

A. Terkel, for Applicant  
C. W. Tackaberry for the people of  
Squaw Valley and The Cedars,  
Dickson F. Maddox for E. P. Harralson and  
General Grant Park Telephone Company.

Shore, Commissioner.

O P I N I O N

Reedley Telephone Company, applicant in this proceeding, owns and operates a telephone line extending from Reedley through Squaw Valley to Dunlap. Stations at Pinehurst, The Cedars, Cedarbrook, Miramonte and Camp Miramonte are also served over this line by means<sup>of</sup> connecting privately owned lines.

This line has, for a number of years, been operated as a combination suburban and toll line. All stations on this line are connected directly to the line and can ring the Reedley operator directly and all regular subscribers are enjoying un-

limited switching privileges with other subscribers of the Reedley system for the payment of the monthly flat rate. Non-subscribers, however, are charged a toll for the use of the line for each call completed.

Applicant now proposes to operate this line only as a toll line and to open exchanges at Pinehurst, Dunlap and Squaw Valley. The existing subscribers will in this manner then be served from some one of these exchanges.

Claiming that the service rendered was unsatisfactory, Mr. Kincaid and some others of the sixteen subscribers on this line on May 13, 1921, filed formal complaint (Case #1599) against the Reedley Telephone Company and asked the Commission to issue its order requiring the Reedley Company to put the line in repair and make arrangements regarding the reconstruction and maintenance of subscribers' branch lines.

In its Decision No. 9890 (20 CRC 1032) the Commission ordered the Reedley Company to reconstruct the main line in accordance with standards as set forth by it and to maintain the main and all branch lines. It also authorized the Reedley Company to disconnect branch lines not reconstructed according to standard, and to charge a monthly flat rate for residence telephone service, well set, of \$4.00. As a result of this decision, twelve of the sixteen subscribers immediately discontinued service, leaving four subscribers on the line.

A public hearing in the present application was held in Reedley on August 7, 1923. It was brought out at this hearing that the principal objection on the part of subscribers to the granting of applicant's petition was the fear on their part that the service to be rendered under the proposed arrangement would be very inferior to that they are at present receiving. Little objection was

expressed concerning proposed changes in rate. Applicant set forth the abnormal expense of maintaining the line, due to the mountainous condition of the country through which most of it is located and pointed out the small revenue received under the present arrangement of rates and service.

It appears that, considering the investment in this mountain line, the comparatively high expense of maintaining it and the low revenue received from it, some action should be taken to relieve other subscribers who have little interest in this line from carrying such a large portion of its burden. This might be done by continuing service as at present with direct connection to Reedley and raising the flat rate to subscribers to a point where revenues would be commensurate with expenses. The almost inevitable result of such a change, however, would be the discontinuance of service by those subscribers that are now on the line and a decided curtailment in the usefulness of the telephone service. In fact, the present rate places the service where it is not available to some. The alternate method, the adoption of which has been asked by applicant, contemplates the opening of several exchanges and connecting subscribers with these exchanges. Under this arrangement the subscriber is entitled to unlimited switching to other subscribers connected to the same exchange and is required to pay a toll for each connection to toll stations or subscribers in other exchanges. This has the tendency of placing the burden on the heaviest users and at the same time making it possible for the small user to have the service available, if needed, for the payment of a comparatively low flat monthly rate, this greatly increasing the usefulness of the service in the several communities. It appears that the greater portion of the public would be better

served under this arrangement and I recommend that the application be granted.

The telephone rates, as contained in the Order following, assume that the exchanges will be agency operated and that applicant will make every reasonable effort to render the best possible service.

Applicant has asked that the subscribers on the line between Pinehurst and Cedarbrook be allowed a toll rate from Dunlap rather than Pinehurst on account of ownership of the line between Dunlap and Pinehurst by these subscribers. If this were done a preferential rate would be established which I do not believe should be permitted. Applicant may pay the owners of this portion of the line such compensation as may be proper, but all subscribers should be charged similar rates for similar service without discrimination.

Applicant has also asked, in its proposed rates, that farmer line subscribers own and maintain their lines to the central offices of the proposed exchanges. Inasmuch as it is assumed that it is the intention of applicant not to permit farmer line stations within its Primary Rate Areas it would be a matter of good practical policy for applicant to own and control all facilities within its Primary Rate Areas for providing service to farmer lines. I recommend therefore that Applicant be required to provide facilities for rendering farmer line service from its switchboard to the Primary Rate Area boundaries.

I submit the following form of order:

O R D E R

Reedley Telephone Company, having applied to the Railroad Commission for permission to change its Reedley-Pinehurst line from a combination suburban and toll line to a toll line and for an order declaring that public convenience and necessity require the establishment of ex-

changes at Squaw Valley, Dunlap and Pinehurst, a public hearing having been held, the matter submitted and being now ready for decision;

The Railroad Commission hereby finds as a fact that applicant's Reedley-Pinehurst line should be changed from a suburban and toll line to a toll line, that public convenience and necessity require the establishment of exchanges at Squaw Valley, Dunlap and Pinehurst and that the rates and charges as set forth in Exhibit "A" attached hereto are just and reasonable rates to be charged and collected by Reedley Telephone Company for exchange, toll and telegraph service.

Basing its order on the foregoing finding of fact and on other findings of fact contained in the Opinion which precedes this Order;

The Railroad Commission of the State of California hereby declares that public convenience and necessity require Reedley Telephone Company to establish telephone exchanges at Squaw Valley, Dunlap and Pinehurst, and

IT IS HEREBY ORDERED that Reedley Telephone Company shall

1. Establish telephone exchanges at Squaw Valley, Dunlap and Pinehurst on or before October 31, 1923.
2. Operate the so called Reedley-Pinehurst line on and after November 1, 1923, solely as a toll line.
3. Discontinue suburban service now rendered from the so-called Reedley-Pinehurst line on October 31, 1923, at 12 o'clock midnight.
4. Establish a line running due east and west bisecting a straight line connecting Pinehurst and Miramonte, as the southerly boundary of the Pinehurst Exchange.

5. Charge and collect the rates and charges for exchange, toll and telegraph service rendered on and after November 1, 1923, as set forth in Exhibit No. "A," attached hereto.

6. File with the Railroad Commission on or before October 1, 1923, the rates and charges as set forth in Exhibit No. "A," attached hereto.

7. File with the Railroad Commission on or before October 1, 1923, rates, rules and regulations governing exchange, toll and telegraph service.

8. Provide facilities from its central office to the boundary of the Primary Rate Area at each of the exchanges, Squaw-Valley, Dunlap and Pinehurst, for each farmer line circuit built to that point whose owners desire service.

9. Notify, in writing, not later than September 24, 1923, each and every subscriber at present served by the Reedley-Pinehurst line, that a change in service is to be made on October 31, 1923, and include with such notice a schedule of exchange rates for various classes of service rendered on and after November 1, 1923.

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 19<sup>th</sup> day of September, 1923.

*C. Shaver*

*James M. Astor*  
*Egerton Shore*

Commissioners

EXHIBIT A:

Exchange Service - Schedule No. A-1.

General Service

Applicable to individual and party line flat rate service within the Primary Rate Areas of Squaw Valley, Dunlap and Pinehurst exchanges. The Primary Rate Area of each of these exchanges includes all territory within a one-quarter mile radius from Company's central office.

Rate

Rate per Month per Station.

<u>Class of Service</u>	<u>Business Service</u>		<u>Residence Service</u>	
	<u>Wall Set</u>	<u>Desk Set</u>	<u>Wall Set</u>	<u>Desk Set</u>
Individual Line Station	2.50	2.75	2.00	2.25
Two-Party " "	2.00	2.25	1.75	2.00
Extension (with or without bell)	1.00	1.00	1.00	1.00

Grabaphone equipment \$0.50 per month additional to rate for wall set, all classes of service.

Conditions

Company furnishes and maintains all telephone instruments and equipment.



Exchange Service - Schedule No. A-4.

Mileage Rates

Applicable to general service outside the Primary Rate Area of Squaw Valley, Dunlap and Pinehurst exchanges.

Rate

Business & Residence Service

Monthly Rate per  
1/4 mile or fraction  
thereof.  
(Air Line Distance)

Individual line

\$.50 per station

Two party line

.35 " "

Conditions

The charge for service under rate above is in addition to the regular flat rate charges given under Schedule No. A-1.

Exchange Service - Schedule No. A-6.

Farmer Line Service

Applicable to farmer line service outside the Primary Rate Area.

Rate

Rate per Year per Station

<u>Business</u>	<u>Residence</u>
\$6.00	\$3.00

Minimum Charge

The minimum charge is \$15.00 per year per circuit.

Conditions

- (1) The Company installs, owns and maintains the necessary central office equipment and service, line facilities to the boundary of the Primary Rate Area, one listing in the directory and a Code Ring Card.
- (2) The Subscriber installs, owns and maintains at his expense the necessary facilities from the Company line at the boundary of the Primary Rate Area to the subscriber's instrument.
- (3) The subscriber installs, owns and maintains at his expense his telephone instrument and battery.

Toll Service - Schedule No. B-1.

General Service

Applicable to station-to-station, person-to-person and appointment and messenger toll service charges between any two toll stations or exchanges.

Rate

(1) Station-to-station Day Service.

(a) The following initial period rates applicable to station-to-station toll messages where the distance between the exchanges or toll points does not exceed 40 miles by direct air-line measurement.

<u>For distances</u> <u>more than</u> Miles	<u>But not more</u> <u>than</u> Miles	<u>Initial rate</u> <u>is</u>
0	12	\$0.10
12	18	.15
18	24	.20
24	32	.25
32	40	.30

(b) Initial period and overtime period:

<u>Where the initial</u> <u>rate is</u>	<u>The initial</u> <u>period is</u>	<u>The overtime</u> <u>period is</u>
\$0.10	5 minutes	3 minutes
.15	5 "	2 "
.20	5 "	2 "
.25	5 "	1 "
.30	3 "	1 "

(c) Overtime rate.

<u>Where the initial</u> <u>rate is</u>	<u>The overtime rate</u> <u>is</u>
\$0.10	\$0.05
.15	.05
.20	.05

Toll Service - Schedule No. B-1 (Continued.)

Where the initial rate is	The overtime rate is
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\$.25

\$.05

.30

.10

(2) Person-to-person, appointment and messenger rate and report charge.

Rate for Initial Period of 3 Minutes or Less.

Station-to-Station Day Service Rates	Corresponding Completed Person- to Person Rate.	Corresponding Completed Ap- pointment and Mes- senger Rate.	Corresponding Report charge.
\$0.10	.15	.20	.05
.15	.20	.25	.10
.20	.25	.30	.10
.25	.30	.35	.10

Rate for Periods in Excess of the Initial 3 Minute  
Period.

Where the initial rate is	The overtime period is	The overtime rate is
\$.15	1 minute	\$.05
.20	1 minute	.05
.25	1 minute	.05
.30	1 minute	.10
.35	1 minute	.10

(3) Night Rates

Station-to-Station Night Rates are the same as  
Station-to-Station Day Rates.

Telegraph Service - Schedule No. C-1.

General Service

Applicable to general telegraph service between any two points on systems.

Rate

<u>Service</u>	<u>Rate</u>
Telegrams	30¢ for the first 10 words or less and 2-1/2¢ for each additional word.
Day Letters	45¢ for the first 50 words or less and 9¢ for each additional 10 words.
Night Letters	30¢ for the first 50 words or less and 6¢ for each additional 10 words.