

Decision No. 12858

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
HARRY LEE MARTIN, doing business under)
the name and style of "Arrowhead Tele-)
phone Company" for a certificate of)
public convenience and necessity for)
the acquiring and construction of a)
telephone system and of lines, rights)
of way, necessary lands and offices)
through the vicinity known as Arrow-)
head Woods, California.)

ORIGINAL

Application No. 9180

Musick, Burr and Pinney, by W. B. Pinney, for
Harry Lee Martin.
W. W. Butler, for Associated Telephone Company.
A. N. Johns and O. A. Prest, for Associated
Telephone Company.
N. R. Rowley and J. L. Adams, for The Pacific
Telephone and Telegraph Company.
B. T. Ergenbright, for Bear Valley Utility
Company.

BY THE COMMISSION:

O P I N I O N

This is a proceeding in which the applicant, Harry Lee Martin, doing business under the name and style of "Arrowhead Telephone Company", requests this Commission to make an order issuing a certificate to him that public convenience and necessity require the acquisition and operation of a certain telephone system in course of construction by Arrowhead Lake Company, in the vicinity of Arrowhead Woods, San Bernardino County.

As set forth in the application, Arrowhead Lake Company is constructing a telephone line, consisting of two metallic circuits, from Arrowhead Woods to Highland, and is installing a telephone system at Arrowhead Woods. The Arrowhead Telephone Company desires to purchase from the Arrowhead Lake Company this

telephone line and equipment together with certain rights of way and to carry on a telephone business in Arrowhead Woods and adjacent territory, as shown by the map designated as applicant's Exhibit "A" in this proceeding.

Applicant claims that the territory which he desires to serve has not now, nor has it had, any public utility within its boundaries furnishing telephone service as applicant proposes; that the line affording telephone service to this territory is a private line and that the same does not furnish adequate service; that this private line is poorly constructed and during storms, and at other times, is frequently out of service, and that the service which applicant proposes to render will in no way interfere with the service now rendered over this line.

This proceeding was heard at Lake Arrowhead on July 20, 1923, before Examiner Williams.

Applicant, in his Exhibit No. 5, presented an inventory covering labor and material used in the construction of the telephone system at Lake Arrowhead, together with lines extending to Highland.

Applicant has applied to the Board of Supervisors of the County of San Bernardino for a franchise to carry on business in that County, but at the time of the hearing applicant submitted a resolution from the County of San Bernardino granting him the right to carry on a telephone business pending the issuance of the franchise.

The territory known as "Arrowhead Woods" is a valley situated in the mountains, about eleven and one-half miles north of Highland. It is both a winter and summer resort, having hotels, business houses, camps and private homes. During the past summer the population of the valley has been approximately 3,000 people.

The Associated Telephone Company made certain objections at the hearing to the granting of applicant's request, claiming that although it did not care to serve that territory, it did object to another utility coming in and taking away a portion of this territory.

Subsequent to the submission of this proceeding, the Associated Telephone Company advised this Commission that it had other objections to the granting of applicant's request and further evidence to submit. In order that Associated Telephone Company might have a full opportunity to present all of its objections and submit evidence, this Commission reopened this proceeding for further hearing. Pending the further hearing and on account of the urgency of this matter, the Commission on August 21, 1923, issued a preliminary order in Decision No. 12507, authorizing applicant to construct and operate a telephone system in the locality of Arrowhead Woods, until such time as the Railroad Commission may, by formal hearing, determine the various issues of this proceeding.

The second hearing in this proceeding was held in Los Angeles on October 4, 1923, before Examiner Williams.

The Associated Telephone Company, in this latter hearing, stated that it had always considered that the Arrowhead Woods and territory adjacent thereto was part of its San Bernardino Exchange area.

Mr. Eutler, counsel for the Associated Telephone Company, stated that the Associated Telephone Company has no objection, at the present time, and has not had any objection to the establishment of this exchange, provided, the exchange shall take over all of the business north of the south line of Township No. 2. He further stated that the best part of

the telephone business, in this section, was located around Lake Arrowhead and, if the Arrowhead Telephone Company was to render any service, that they should also serve the entire territory, including the scattered business. Mr. Butler also stated that the telephone business in this territory has always been unprofitable and will always be unprofitable, owing to the difficulty in proper maintenance of the lines. Upon these grounds, the Associated Telephone Company objects to the granting of applicant's request in this proceeding.

The territory around Lake Arrowhead is a very rapidly growing section and, up to the time of the issuance of the preliminary order in this proceeding, the only telephone service available was that over privately owned lines, which connected to the Associated Telephone Company's lines, either on their Strawberry Flat or Toll Gate Lines.

Testimony of witnesses of the Associated Telephone Company shows that that company has, in the past, taken no steps to render adequate service in the territory around Arrowhead Lake, and, in the past, has made little if any attempt to determine the growth of that community and to prepare to meet the demand for telephone service; in fact, the Associated Telephone Company, through one of its own witnesses, admitted that it did not know that there was a demand for service in this particular section, nor had it ever made any study to determine whether an exchange at Arrowhead was justified, nor knew that the Arrowhead territory had, in the recent past, been increasing in population.

From the evidence in this proceeding, and that submitted by the Associated Company, it appears that the Associated Company has not, in the past, been rendering adequate and

satisfactory service in this territory around Arrowhead Lake and that it has taken no steps to plan for the future telephone demand for service, nor to take care of the demand for service after it has existed and, in fact, did not know that a demand for service even did exist.

The Associated Telephone Company now objects to the Arrowhead Telephone Company furnishing telephone service to this territory around Arrowhead Lake unless it serves all subscribers now connected either to the Associated Telephone Company's lines or to privately owned lines, situated north of the south line of Township No. 2.

The matter before the Commission in this proceeding is whether Harry Lee Martin, operating as the Arrowhead Telephone Company, should or should not be granted a certificate of public convenience and necessity to allow him to establish an exchange at Arrowhead Woods for the purpose of rendering telephone service in Arrowhead Woods and adjacent territory.

If the Associated Telephone Company desires to abandon service in any territory other than that before this Commission in this proceeding, or if it believes that it cannot render adequate service in any particular territory which it holds itself out to serve, then it should come before this Commission with that matter in the usual and proper way.

The Commission is of the opinion, that public convenience and necessity require the granting of applicant's request in this proceeding to acquire and operate the telephone system described in this application and that applicant establish and operate a telephone exchange at Arrowhead Woods and render service within that territory in and around Arrowhead Woods.

Applicant included a schedule of rates, rules and regulations which he proposes to apply to the telephone service to be rendered. These rates and rules are similar to rates and rules of the Bear Valley Utility, operating in a similar territory and under similar conditions to that of the applicant. Certain modifications will be necessary to be made on account of difference in existing conditions.

ORDER

Harry Lee Martin, doing business under the name and style of Arrowhead Telephone Company, has requested this Commission for an order granting him a certificate that public convenience and necessity require applicant to acquire and operate a certain telephone system, as described in the application; the Board of Supervisors of the County of San Bernardino having granted Harry Lee Martin the right and privilege of carrying on a general telephone business pending the granting of a franchise; public hearings having been held upon the above entitled matter and the matter being submitted and now ready for decision.

THE RAILROAD COMMISSION HEREBY DECLARES that public convenience and necessity require Harry Lee Martin to acquire and operate the telephone system, as described in his application, and to render adequate telephone service within that territory as described in Exhibit B of this application.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be, and the same is, hereby granted to Harry Lee Martin, doing business under the name and style of Arrowhead Telephone Company.

THE NEXT

DOCUMENTS ARE

POOR ORIGINALS

MICROFILMING SERVICES

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The authority herein granted is upon the following conditions, and not otherwise:

(1) Harry Lee Martin shall file with this Commission a certified copy of the franchise granted him by the Board of Supervisors of the County of San Bernardino within fifteen (15) days of the date of this order.

(2) Harry Lee Martin shall file, within fifteen (15) days of the date of this order, a stipulation in satisfactory form with this Commission to the effect that neither he, his successors nor assignees will ever claim before the Railroad Commission, any court or other public body a value for said franchise in excess of the amount paid for the same.


(3) Harry Lee Martin shall charge and collect for telephone service rendered on and after December 1, 1923, the rates, as set forth in Exhibit No. 1, attached hereto.


(4) Harry Lee Martin shall file with this Railroad Commission, on or before November 30, 1923, the rates as set forth in Exhibit No. 1, attached hereto.

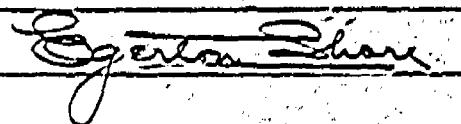
(5) Harry Lee Martin shall file with the Railroad Commission, for its approval, on or before December 15, 1923, rules and regulations to govern telephone service.

IT IS HEREBY FURTHER ORDERED that Harry Lee Martin shall disconnect on or before November 30, 1923 from his system any lines which directly connect with any exchange line of the Associated Telephone Company.

Dated at San Francisco, California this 26th day of November, 1923.







Commissioners

E X H I B I T 1

EXCHANGE SERVICE -- SCHEDULE NO. A-1

GENERAL SERVICE:

Applicable to individual and party line unlimited common battery exchange service within the Primary Rate Area.

RATE:

Rate per station per month

<u>CLASS OF SERVICE:</u>	<u>Business</u>		<u>Residence</u>	
	<u>Wall Set</u>	<u>Desk Set</u>	<u>Wall Set</u>	<u>Desk Set</u>
Individual Line	\$4.25	\$4.50	\$3.50	\$3.75
Two Party Line	3.75	4.00	3.00	3.25
Four Party Line	----	----	2.50	2.75
Extension Sets-With or without bell	1.00	1.25	1.00	1.25

EXCHANGE SERVICE -- SCHEDULE NO. A-2-a

COMMERCIAL PRIVATE BRANCH EXCHANGE SERVICE:

Applicable to business commercial ^{common battery} flat rate/ serv-
ice requiring a private branch exchange.

RATE:

	<u>Rate per Month</u>
(a) Switchboard, cord, with battery power, ringing power and switchboard telephone for each position, per position:	\$5.00
(b) First bothway trunk line:	6.00
Each additional bothway trunk line:	4.50
(c) Each station, primary or extension wall or desk set:	1.00

CONDITIONS:

(a) The above rate applies to stations located within premises in which private branch exchange is located. To each station without premises a mileage rate, in accordance with Schedule No. A-3, is applicable.

(b) Minimum installation per switchboard: Two (2) trunk lines and four (4) stations excluding switchboard telephones.

EXCHANGE SERVICE - SCHEDULE NO. A-2-b

Hotel Private Branch Exchange Service

Applicable to business hotel ^{common battery} flat rate service requiring a private branch exchange.

Rate

	<u>Rate per Month</u>	
(a) Switchboard, with battery power, ringing power and switchboard telephone for each position, equipped for 15 lines		\$2.00
(b) Additional switchboard equipment for each group of 5 lines or less . . . . .		.20
(c) First bothway trunk line		6.00
Each Additional bothway trunk line		4.50
	<u>Wall Set</u>	<u>Desk Set</u>
(d) Each station, primary or extension not in guest rooms	\$1.00	\$1.00
Each station, primary or extension in guest rooms - 1 to 10, inclusive . . . . .	.50	.75
11 to 20, inclusive . . . . .	.45	.70
21 to 35, inclusive . . . . .	.40	.65
36 to 50, inclusive . . . . .	.35	.60
Over 50, . . . . .	.25	.50

Conditions:

- (a) The above rates apply to stations located within building in which private branch exchange is located. To each station outside building in which private branch exchange is located a mileage rate, in accordance with Schedule No. A-3, is applicable.
- (b) Minimum installation per switchboard: Two (2) trunk lines and ten (10) stations, excluding switchboard telephones.

EXCHANGE SERVICE - SCHEDULE NO. 4-2-c

General Service

Applicable to Four-party line unlimited magneto service outside the primary rate area.

Rate

(a) Fixed Charge

<u>CLASS OF SERVICE</u>	<u>Rate per station per month</u>	
	<u>Residence Service</u>	
	<u>Wall Set</u>	<u>Desk Set</u>
Four Party Line	\$ 2.50	\$ 2.75

(b) Mileage

The mileage rate per station for each 1/4 of a mile air line distance between the station served and the nearest point on the primary rate area boundary is:

Four Party Line \$.50

(c) Total Charge

The total monthly charge is the sum of the charges given under (a) and (b) above.

EXCHANGE SERVICE- SCHEDULE NO. A-3

MILEAGE RATES:- Extension Stations

Applicable to general and Private Branch
Exchange service.

RATE:

For extension stations and Private Branch
Exchange stations outside premises the monthly
rate is \$.50 per one-quarter mile (circuit mile-
age) or fraction thereof per line.

CONDITIONS:

(a) The charge for mileage is in addition
to the regular extension or Private Branch Ex-
change station rates.

EXCHANGE SERVICE - SCHEDULE NO. A-4

DIRECTORY LISTING:

Charges for directory listing in addition to that which subscriber is entitled under regular rates for service.

RATE: (A) One insertion in the telephone directory will be allowed for each main line or party line telephone, other than extension sets, without charge and, in the case of a firm, one additional listing will be allowed.

(B) Extra listings will be charged for at the following rates:

	<u>Rate per Month</u>
(a) Member of same firm, same business	\$0.50
(b) Joint user, Individual unlimited business	1.50
(c) Any individual residing at a resi- dence listed at the residence	.50

CONDITIONS:

- (a) Joint user means individual not connected with the firm or business who is the subscriber of record.
- (b) Orders for extra listings will be taken for not less than six months, and must be signed by the subscriber to the telephone who becomes responsible for payment of the charges for the extra listings.
- (c) Charges for extra listings begin as soon as the listings are entered on the records of the information operators, irrespective of the date of issuance of the directory in which they appear.

EXCHANGE SERVICE - SCHEDULE NO. A-5.

Supplemental Equipment:

Rates for extra equipment requested by Subscriber.

Rate:

	<u>Installation Charge</u>	<u>Rate Per Month</u>
Ordinary extension bell - 2 1/2"	\$1.00	\$.25
Loud ringing extension bell - 6"	\$1.50	\$.50

EXCHANGE SERVICE - SCHEDULE NO. A.-6.

MOVES AND CHANGES:

Charges for changes of location of equipment or wiring on the subscriber's premises will be as follows:

(a) For moving a telephone set from one location to another on the same premises-\$3.00.

(b) For moving any other equipment or wiring from one location to another on the same premises, a charge based on the cost of labor and material.

Charges for changes other than moves in wiring and equipment on the subscriber's premises, made on the initiative of the subscriber, will be as follows:

(a) For change in type or style of telephone set-\$3.00.

(b) For other changes in equipment or wiring, a charge based on the cost of labor and material.

The charges specified above will not apply if the changes or moves are required for the proper maintenance of the equipment or service.

The charges specified above will not apply if the changes are required because of a change in class or grade of service.

EXCHANGE SERVICE - SCHEDULE NO. A-7

VACATION SERVICE:

Subscribers to residence service, while temporarily absent from their residences, may be granted a discount of fifty per cent. (50%), of the full residence rate, including mileage, for their primary telephones and extensions, under the conditions following:

Vacation rates are applicable to residence service only.

Applications for vacation rates must be made in writing and, at the time when application is made, the applicant shall be a subscriber to unlimited exchange residence service at the full schedule rate, and shall have had residence service for a continuous period of not less than one year. The subscriber's account must be paid in full to date of application for the vacation rate at the time when the application is made, and the exchange service charge, at the vacation rate, shall be paid for the full period during which the vacation^{rate} is to continue, at the time when the application is accepted by the Company.

Service at the vacation rate may begin on any day of the month, provided that notice is given sufficiently in advance to permit of necessary arrangements being made, and may be granted for any period not less than one month and not in excess of four months.

Subscribers will be allowed but one suspension of service at the vacation rate in any one calendar year.

Service furnished during the period of the vacation rate will consist of outgoing service only. Persons calling for the subscriber's number during such period will be advised by the operator that the telephone has been "Temporarily Disconnected."

Complete service will be restored without notice from the subscriber not later than 5:00 p.m. on the last day of the month to which the vacation rate is made to apply. Should the subscriber desire incoming service restored in advance of that date, notice to that effect should be given to the Company sufficiently in advance of the date on which it is desired that incoming service be restored to permit of making arrangements for its restoration.

In the event of advance restoration of service, the subscriber will be billed at the regular full rate from and including the date following that on which the service was restored, and the payment previously made for the vacation rate period will be adjusted and proper credit allowed from the date of restoration as a payment on account.

TOLL SERVICE SCHEDULE NO. B-1

GENERAL SERVICE:

The following listed rates are applicable between Arrowhead and Highland, to Station-to-Station, Person-to-Person, Appointment and Messenger, Interexchange Telephone Toll Service, over the toll lines of the Arrowhead Telephone Company and are based on air line distances, in accordance with the terms and conditions of Order No. 2495, dated December 13, 1918, and Order No. 2797 dated February 17, 1919, amendatory thereto, of the Postmaster General of the United States:

<u>Class of Service</u>	<u>Initial Rate</u>	<u>Initial Period in Minutes</u>	<u>Overtime Rate</u>	<u>Overtime Period in Minutes</u>
Station-to-Station	\$.10	5	\$.05	3
Person-to-Person	.15	3	.05	1
Appointment and Messenger	.20	3	.05	1
Report Charge	.05	----	----	----

The rates for any other classes of Toll Service specified herein between Arrowhead and toll points on the lines of The Pacific Telephone and Telegraph beyond Highland are through rates quoted by The Pacific Telephone and Telegraph Company, as established under the terms and conditions of the orders hereinabove referred to.

TELEGRAPH SERVICE SCHEDULE NO. C-1

GENERAL SERVICE:

The Company will accept for transmission and delivery, messages of the classes and at the rates specified in the following, subject to the conditions herein set forth.

TELEGRAMS:

30¢ for 10 words or less, 2½¢ for each additional word.

DAY LETTERS:

45¢ for 50 words or less, 9¢ for each additional 10 words or less.

NIGHT LETTERS:

30¢ for 50 words or less, 6¢ for each additional 10 words or less.

CONDITIONS:

Telegrams, Day Letters and Night Letters, when offered at the Company's office in Arrowhead during regular business hours for transmission to any address, and messages of the classes herein enumerated, when offered at Highland during the hours as stated above for transmission to Arrowhead, will be accepted by the Company, at the rates listed above, for transmission by telephone over its toll lines between Arrowhead and Highland.

Messages of the classes enumerated in the preceding schedule, when offered at Arrowhead for transmission to Highland, will be accepted by the Company, subject as to delivery, to the rules and regulations of The Pacific Telephone and Telegraph Company relating to the receipt and delivery of telegraph messages.

GENERAL SERVICE (Continued from No. C-1)

Messages of the classes specified in the preceding paragraphs, when offered at Arrowhead for transmission to points beyond Highland, will be accepted by the Company, subject to transfer at Highland to other lines for further transmission to point of address, in accordance with the rules and regulations for the receipt, transmission and delivery of telegraph messages established by the company, or companies, over whose lines they are to be transmitted beyond Highland. For such further transmission and delivery, the rates of the company, or companies, handling the same beyond Highland are applicable, in addition to the rates of the Arrowhead Telephone Company for transmission between Arrowhead and Highland.

Free delivery of messages will be made to addresses at Arrowhead when such free delivery can be made by telephone. When free delivery can not be made by telephone, the Company does not undertake to make delivery, but will, without liability, at the sender's request, as his agent and at his expense, endeavor to contract for him such delivery at a reasonable price.

Day letters may be forwarded by the Company as a deferred service and the transmission and delivery of the same is, in all respects, subordinate to the priority of transmission and delivery of regular telegrams.

Day letters will be received subject to the express understanding and agreement that the Company does not undertake that a Day Letter shall be delivered on the day of its date absolutely and at all events; but that the Company's obligation

GENERAL SERVICE (Continued from No. C-1)

in this respect is subject to the condition that there shall remain sufficient time for its transmission and delivery on the day of its date during regular office hours, subject to the priority of transmission of regular telegrams under the conditions named above.

Night Letters may, at the option of the Company delivering the same, be mailed at destination to the addressees, and this Company, or any company delivering the same, shall be deemed to have discharged its obligation in such cases with respect to delivery by mailing such Night Letters at destination, postage prepaid.

All Day Letters and Night Letters shall be written in plain English on blanks which will be furnished by the Company. Except as to Telegrams, code language is not permissible.

PRIMARY RATE AREA

Beginning at the Tunnel mouth on the west border of Lake Arrowhead in Section 16 then due west to the west line of Section 16, thence south to the southwest corner of NW- $\frac{1}{4}$ of NW- $\frac{1}{4}$ of Section 21, thence east along the exchange boundary to little Bear Creek in Section 14, thence southwest along little Bear Creek to Lake Arrowhead, thence along the southerly border of Lake Arrowhead to point of beginning.