

ORIGINAL

Decision No. 12946

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application)
of Red Hill Telephone Company for)
permission to increase its charges)
for service.)

Application No. 9459.

A. Riccioli and R. L. Mazza for Applicant.

BY THE COMMISSION:

O P I N I O N

The applicant in this proceeding, Red Hill Telephone Company, hereinafter referred to as the Company, owns and operates a farmer line extending southwesterly from Petaluma along Point Reyes road in Sonoma and Marin Counties, California, for a distance of approximately seven miles.

Applicant's lines connect with those of The Pacific Telephone and Telegraph Company at the city limits of Petaluma. Applicant's subscribers obtain local service among themselves and with the Petaluma subscribers of The Pacific Telephone and Telegraph Company.

Applicant's subscribers or patrons provide their own

telephones and the necessary drops or branch lines which connect their premises to the lines owned by the Company.

For the service which The Pacific Telephone and Telegraph Company furnishes, the Company collects from each of its patrons and pays to The Pacific Telephone and Telegraph Company the rates established by that Company for farmer line stations, and for such long distance messages as may be charged to these stations. In addition to The Pacific Telephone and Telegraph Company's rates, the Company has established another rate which it charges its patrons for the service which it renders. This rate has been, in the past and is now, twelve dollars per year per station in advance. Applicant in this proceeding asks permission to increase this to the charge of twenty-four dollars per year per station.

Applicant filed, as a part of the application, an estimate of operating expenses and revenue for the year 1924 showing a deficit of \$290.00 which would be incurred if the present rate was continued. An inventory and appraisal showing a total investment of \$1500.00 was also included as a part of the application.

A public hearing in this proceeding was held before Examiner Satterwhite in Petaluma on Nov. 22, 1923. Applicant introduced testimony at this hearing for the purpose of confirming the figures set forth in its application.

Several of the Company's patrons appeared at the hearing and made complaints as to the quality of the service rendered by applicant. The complaint is that there are occasionally periods when no service at all is available and interference due to cross talk between the lines is quite common. It appears that some of this trouble is due to the condition of the main line while probably much of it is due to improper maintenance of branch

lines which are owned and maintained by the subscribers themselves. Considerable improvement in service would undoubtedly be effected by overhauling the main lines and this work should be done as soon as practicable.

An appraisal of the plant of applicant was made by F. M. Casal, Assistant Engineer of the Commission which shows a value of \$1335.00 on an historical basis as of November 30, 1923.

The Company had, as of December 1, 1923, twenty-five patrons. The Company estimates that there may be an increase of eight subscribers in the next ten years.

Under the present rate of \$1.00 per month applicant will not be able to meet operating expenses by an amount of \$65.00. Increasing this rate to \$1.75 per month will make it possible for applicant to properly maintain its lines, render adequate service and give it a reasonable return on its investment.

The granting of this proposed rate assumes that the applicant will overhaul its lines which work will include the pulling of the slack in all existing lines owned by the Company, replacing broken insulators and stubbing and guying poles where such stubbing and guying is necessary.

O R D E R

Red Hill Telephone Company having made application requesting the Railroad Commission to authorize certain rates for telephone service as set forth in its application or such other rates as the Railroad Commission may find just and reasonable, a public hearing having been held and the matter having been submitted and now ready for decision.

THE RAILROAD COMMISSION HEREBY FINDS AS A FACT that

the rates now charged for telephone service are insufficient to provide applicant with an adequate return and that the present rates for farmer line service are not just and reasonable and that the rates herein established are just and reasonable rates for such service.

Basing its order on the foregoing finding of fact and upon other findings of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED, that Red Hill Telephone Company

(1) Charge and collect for farmer line service rendered on and after January 1, 1924, the following rate.

Farmer Line Service - Twenty-one dollars (\$21.00) per annum plus the farmer line rate of The Pacific Telephone and Telegraph Company at its Petaluma Exchange.

(2) File with the Railroad Commission the rate set forth under section (1) above on or before January 1, 1924.

(3) Overhaul its lines as set forth in the opinion preceding this order, on or before March 1, 1924.

(4) Submit evidence to the Railroad Commission, within 15 days after the work has been accomplished, that the order set forth under section (3) above has been carried out.

Dated at San Francisco, California, this 22^d day of December, 1923.

C. Harvey

James McArthur
Golden Shore

Commissioners.