

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Investigation on  
the Commission's own motion regarding  
the adequacy of telephone service ren-  
dered by Southwestern Home Telephone  
Company in the town of Murrieta, River-  
side County, California.

Case No. 1953.

Earl D. Finch, for Southwestern Home  
Telephone Company.  
M. M. Winslow, and S. E. Provolt, for  
California Farm Bureau.  
Hugo Guenther, for Murrieta Hot Springs.  
J. L. Adams, for The Pacific Telephone  
and Telegraph Company.

BY THE COMMISSION:

OPINION And ORDER DENYING REHEARING

Southwestern Home Telephone Company on January 28, 1924, petitioned this Commission for a rehearing requesting the Commission to modify its Order in Decision No. 12893, requiring the establishment of a local exchange at Murrieta. This request was made on the grounds that it has only succeeded in securing applications for fourteen (14) telephones and that, in view of the expense incident to the construction of the proposed exchange, it believed that it should not establish this exchange unless the applications for a minimum of twenty-five (25) applicants be received.

Southwestern Home Telephone Company, at the hearing in this proceeding held on November 1, 1923, claimed that the town

of Murrieta and surrounding territory are within that area which it holds itself out to furnish exchange telephone service and stipulated that there did exist at Murrieta a demand for exchange telephone service; that there was no question in its mind as to the necessity for the establishment of a local exchange at Murrieta and that it did not intend to dispute that fact, and would not require the Commission or the proponents of this exchange to prove the necessity for its establishment, and further, that it was willing to establish an exchange at Murrieta under such rates as the Commission might fix.

As a result of these stipulations by the Company, the hearing in this proceeding was devoted to questions relative to the rates applying to local exchange service.

Southwestern Home Telephone Company has been allotted certain territory within which, at the present time, it alone has the right and privilege of rendering and furnishing telephone service. This right and privilege allowed the Southwestern Home Telephone Company, although having the practical result of protecting the Company against competition, assumes however that the Company shall render and furnish, at all times, proper and adequate telephone service. The furnishing and rendering of proper and adequate service not only applies to service to existing subscribers, but also to the service to prospective subscribers within the allotted territory, as may be requested.

For such service rendered, the utility is entitled to receive a fair return upon the monies reasonably invested. In any system, some services will naturally be more profitable to the utility than others and, in fact, a particular service, or group of services, may not necessarily in itself, or in themselves, return to the utility a profit, but considering all factors and conditions,

the service should be rendered. For Southwestern Home Telephone Company to argue that it should not render a particular service because that service happens to be less profitable than some other service which it is now rendering, is contrary to the fundamental principles of public regulation.

It appears, therefore, to this Commission that it is the duty of the Southwestern Home Telephone Company to render a local telephone service in Murrieta and, for the Company to delay or refuse to render this service, will be looked upon as an evasion of this duty.

For the above reasons, it appears that Southwestern Home Telephone Company should, at once, establish a local exchange in the town of Murrieta and that the application for rehearing for order modifying this Commission's former Order should be denied.

#### O R D E R

Southwestern Home Telephone Company having applied to this Commission for a rehearing in this proceeding, requesting a modification of the Order of this Commission's Decision No. 12893, requiring the establishment of a local exchange at Murrieta; the Commission having fully considered this request, and it appearing that there does exist a demand for local telephone service in the town of Murrieta, and for this reason and other reasons set forth in the Opinion preceding this Order,

IT IS HEREBY ORDERED that the application for rehearing in this proceeding be denied.

IT IS HEREBY FURTHER ORDERED that sections (2), (3), (4), (5) and (8) of this Commission's Order in Decision No. 12893, be modified to read as follows:

- (2) Commence work on the establishment of the exchange in the town of Murrieta, on or before February 21, 1924.

- (3) Notify this Commission, on or before February 29, 1924, relative to its compliance with the order in section (1) above.
- (4) Be in a position to render telephone service, covered by the rates set forth under Decision No. 12893, to applicants for service, within sixty (60) days of the date of this Order.
- (5) Notify this Commission within five (5) days after being ready to render service as required under section (4) above.
- (8) File with this Commission rates and charges and a map showing exchange boundaries as set forth in Decision 12893, as required by General Order No. 68, within thirty (30) days of the date of this Order.

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 16<sup>th</sup>  
day of February, 1924.

Chas. H. Murray  
H. B. Muddick  
Spring Martin  
Carlton Shore

Commissioners