

Decision No. 13624

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Southern California Telephone Company
for an order authorizing exchange areas
in the territory served; authorizing
the introduction of measured service,
and authorizing just and reasonable
rates, together with rules and regu-
lations appertaining thereto for the
territory served.) Application No. 9648

Arthur Wright, Pillsbury, Madison & Sutro,
by E. D. Pillsbury and James T. Shaw,
for the Applicant.

Jess Stephens, City Attorney, and Milton Bryan,
Deputy City Attorney, for the City of Los
Angeles.

Paul E. Schwab, City Attorney, for the City of
Beverly Hills.

Fred Baker, City Attorney, for the City of
Montebello.

R. V. Orbison, City Manager, and Dudley Robinson,
City Attorney, for the City of South Pasadena.

W. B. Thompson, City Attorney, for the City of
Huntington Park.

Carl Bush, for Hollywood Chamber of Commerce.

C. O. Youngstratten and H. C. Pogue, for the
Eastern part of Beverly Hills.

SEAVEY, SEORE, AND WHITTLESEY, COMMISSIONERS.

O P I N I O N

In this proceeding now pending before this Commis-
sion, Southern California Telephone Company, applicant, requests
among other things that it be given authority to establish an
exchange area to include the City of Montebello and vicinity, and

that local rates for this exchange be fixed.

Montebello is a city having a population of approximately 2500 and is situated some nine miles east of Los Angeles, midway between Los Angeles and Whittier. At the present time, the City of Montebello is within the Los Angeles Exchange Area, but outside the Los Angeles Primary Rate Area, and is furnished by applicant with Los Angeles exchange service under the Los Angeles exchange rates.

Telephone service normally furnished outside of a Primary Rate Area is a ten-party service, commonly called "suburban service". Individual and party line service, normally served within a Primary Rate Area, may, however, be obtained by a subscriber outside of the Primary Rate Area for the same rates, plus a mileage charge, based upon the distance between the subscriber's premises and the nearest point on the boundary of the Primary Rate Area. At the present time, the average distance from the Los Angeles Primary Rate Area to the center of Montebello is approximately four and one-half miles and, due to this distance, ^{the charge for} individual and party line service in Montebello is from two to three times the charge for the same grade of service in Los Angeles. The total number of telephone stations in Montebello is approximately one hundred and eighty (180).

Applicant proposes certain rates which it asks be made effective, providing, it is given authority to establish the Montebello Exchange Area. A comparison of the present Los Angeles exchange rates, the various rates proposed by applicant, and rates now in effect in exchanges of California of similar size to Montebello, is shown in the following table:

COMPARISON OF RATES

INDIVIDUAL AND PARTY LINE SERVICE

Service	Present Los Angeles Exchange Rates		Rates Proposed by Sou. Cal. Tel. Co.			Existing Rates Applying in Exchanges of Similar Size to Montebello
	Apply- ing in Los An- geles P.R.A.	Apply- ing in Monte- bello	L.A. Exchange		Local Rates for Monte- bello Exchange	
			Apply- ing in Los An- geles P.R.A.	Apply- ing in Monte- bello		
	A	B	C	D	E	F
<u>Business</u>						
Individual Line	\$ 9.00	\$18.00	\$12.50	\$26.00	\$ 4.00	\$3.25-\$2.75
Two Party Line	7.00	13.30	-	-	3.50	2.75- 2.25
Suburban	-	3.50	-	4.50	3.50	3.50
<u>Residence</u>						
Individual Line	\$ 3.75	\$12.75	\$ 5.50	\$19.00	\$ 2.75	\$2.50-\$2.25
Two Party Line	3.00	9.30	4.25	13.25	2.25	2.00
Four Party Line	2.25	6.75	3.25	9.55	2.00	1.75
Suburban	-	3.00	-	3.50	3.00	3.00

NOTE:

(1) Rate "A" is the present rate applying to unlimited Los Angeles exchange service furnished within the Primary Rate Area of the Los Angeles Exchange Area.

Rate "B" is the present rate applying to unlimited Los Angeles exchange service in the City of Montebello. Rates for individual and party line service, available in Montebello, are the Primary Rate Area rates plus a mileage charge.

Rate "C" is the rate proposed by Southern California Telephone Company to apply to unlimited Los Angeles exchange service within the Primary Rate Area of the Los Angeles Exchange.

Rate "D" is the rate proposed by Southern California Telephone Company to apply to unlimited Los Angeles exchange service available in Montebello if the "Montebello Exchange" Area is not established.

Rate "E" is the rate proposed by Southern California Telephone Company to apply to unlimited "Montebello Exchange" service within the proposed "Montebello Exchange" Area.

Rate "F" shows the present rates for exchange service rendered in exchange areas throughout California of similar size to the proposed exchange area of Montebello.

(2) The rates as set forth in the above table apply to wall set type of telephones. Rates for desk set type of telephones are 25¢ in addition to the above rates.

(3) P.R.A. means "Primary Rate Area".

Under the present Los Angeles exchange rates, unlimited Los Angeles service is furnished in Montebello. Under rates applying to service furnished from the local exchange at Montebello, as proposed by applicant, unlimited Montebello service would be furnished and calls to and from Los Angeles would be charged for under the regular rates for toll service.

The reasonableness of applicant's request to establish an exchange at Montebello depends upon the economy of operation to be derived and the spread of rates resulting from the diversity of demand for service. It is a well known fact that with an increased number of subscribers, the rates for local service increase. In this particular, the operation of a telephone utility is different from that of other utilities. The converse of this is also true. With a decrease in number of subscribers, the rates for service are correspondingly lower. The establishment of an exchange at Montebello will result in a considerably lower rate for local Montebello service as compared with the rates applying in the Los Angeles Exchange which, in turn, will be reflected in rates for that area.

The breaking up of a particular area into sections and the establishment of separate rates for local service rendered in each, based upon the operations of that section, is in reality a practical method of furnishing a measured service between communities. The extent to which this procedure should be carried depends largely upon the community interest between those sections and the desires of the subscribers as to the method of payment of the total revenue to which the utility is

entitled to receive in payment for furnishing the service.

Under public regulation, a utility is allowed to operate within a certain territory, in general, without competition and, providing adequate service be furnished, is entitled to receive, conditions allowing, a just and fair return, while the subscribers of that utility are equally entitled to demand and receive the service they desire and for which they are willing to pay. The method of payment of rates is fundamentally a subscriber's problem. Providing the total resulting revenue is equivalent to that which the company is entitled to receive, the particular method of payment of this revenue should meet with the demands, desires, and needs of the subscribers. To see that this end is accomplished is one of the utility's first duties to its subscribers.

Certain subscribers in Montebello have an interest in Los Angeles, while other subscribers have very little or no interest in Los Angeles, and the same is true of the Los Angeles subscribers, in reference to Montebello, but to a greater degree, there being relatively few of the total Los Angeles subscribers who have any particular interest in Montebello.

The establishment of a local exchange at Montebello will result in a lower average monthly charge to certain subscribers, both in Montebello and Los Angeles, and an increased charge to others, depending upon the number of Los Angeles-Montebello calls made. With the present Los Angeles exchange rates and with any rate which might be fixed for the Montebello Exchange, the number of Los Angeles-Montebello calls which will result in identical charges with the present,

above which the local rates plus toll charges will exceed the rates for the combined area and below which the reverse will apply, is a question involving the simplest of calculations. A more important result to be obtained by the establishment of this exchange is that the City of Montebello will receive a superior service compared with the present, a service adapted to its particular needs, and a service at minimum cost.

The question of the establishment of a local exchange has been discussed with the City of Montebello, its Chamber of Commerce, and its citizens, that the people of Montebello might have full knowledge of all facts involved and that they might be fully informed relative to the advantages and disadvantages of the various methods of operation; and farther, that this Commission might be fully advised of their desires and needs.

The Railroad Commission has received the following communications from the City of Montebello and the Chamber of Commerce of that city:

CITY OF MONTEBELLO

April 23, 1924.

California State Railroad Commission,
Pacific Finance Building,
Los Angeles, California.

Gentlemen:

At a regular meeting of the Board of Trustees of the City of Montebello held on Saturday April 19th, 1924, the question of telephone service was considered and a resolution was adopted approving of the proposition of the Southern California Telephone Company to establish an exchange at Montebello.

Under instructions of the Board I am attaching hereto a certified copy of this resolution for your information.

Yours very truly,

(Sgd.) L. G. HERR
City Clerk of the City of Montebello, California.

EXTRACT FROM MINUTES OF MEETING OF BOARD OF
TRUSTEES OF THE CITY OF MONTEBELLO, APRIL,
19th 1924.

"Trustee Cole offered the following resolution;

Be it resolved by the Board of Trustees of the City of Montebello that we hereby approve the request of the Southern California Telephone Company to have installed in the said City a local Telephone Exchange and base the rates for local service upon local conditions and service through such exchange, with the understanding that a charge of ten cents per call will be imposed upon service between the City of Montebello and the City of Los Angeles, and that the City Clerk be instructed to send a certified copy of this resolution to the Railroad Commission of the State of California and to the Telephone Company."

Extract from Minutes of Meeting of Board of Trustees of
the City of Montebello, April 19 1924. (continued)

State of California)
) SS
City of Montebello)

I, L. G. Herr, City Clerk of the City of Montebello do hereby certify that the foregoing resolution was duly adopted by the Board of Trustees of the City of Montebello, California, and signed by the President of the Board at a regular meeting thereof held on the 19th day of April 1924, and that the same was passed by the following vote; to-wit;

Ayes; Trustees Wilber, Cole, Olds, Haskell and Stephens.
Noes; none; Absent none.

(Signed) L. G. HERR
City Clerk of the City of Montebello.

MONTEBELLO CHAMBER OF COMMERCE

Montebello, California,
April 29th, 1924.

State Railway Commission,
Los Angeles, Cal.

Gentlemen:

At a regular meeting of the Chamber of Commerce, held April 14th, 1924, after consideration of the Montebello telephone problem extending over a number of years, a motion was put and unanimously carried to request the Commission to direct the Southern California Telephone Company to immediately install a local exchange in the City of Montebello with a toll rate to Los Angeles on a rate basis and plan as that now in force in the City of Inglewood.

We have been advised by the Telephone Company that in the event such action were taken the unsightly wires as now exist will be removed and placed in conduits.

Hoping that the Commission will take immediate and desired action, we are

Yours very truly,

Montebello Chamber of Commerce,

(Signed) FRED T BEATY
President.

This Commission, after careful investigation of this matter, is of the opinion that a large majority of the present and future subscribers of Montebello will be better served by the establishment of a separate exchange at Montebello, and that this procedure will be in the interests of the telephone subscribers of the Los Angeles Exchange, and that the establishment of this exchange will result in a better service, meeting the desires and needs of the subscribers.

Southern California Telephone Company, in its application, has proposed certain definite rates to apply in the Montebello Exchange, somewhat higher than the rates now in effect for exchange service in cities of California of similar size to Montebello. The reasonableness of any rate which might be applied to Montebello cannot now be ascertained and cannot be fully determined until the present application, in which the Montebello situation is only a part, is submitted and decided. However, it is this Commission's opinion that there is no reason why the exchange at Montebello should not be established immediately, and such action need not be deferred until the final decision in this proceeding. Pending the completion of this proceeding, it seems reasonable to fix rates for Montebello exchange service similar to those rates now applying to service rendered in exchanges of similar size to Montebello. Accordingly, the order following will so provide. Upon the completion of the pending proceeding, the rates herein fixed will be subject to review relative to applicant's operations as a unit.

Applicant has also requested that certain boundaries be fixed defining a Primary Rate Area and Exchange Area. From the conclusions of investigations by this Commission, we believe that applicant's proposal should be modified, as set forth in the order

following.

The establishment of the local exchange at Montebello will require the Southern California Telephone Company to render toll service and will require the fixing of toll rates between Montebello and Los Angeles and other points. The charges for toll service between Montebello and Los Angeles and other points, as set forth in the order, are in accordance with the toll rates in effect generally throughout the state. This will result in an initial rate for two number service between Montebello and Los Angeles of ten cents (10¢) per call. The establishment of this exchange and these toll rates will have the practical result of reducing the toll charges for calls from Montebello to points East, North and South, and correspondingly will raise the toll charges of calls to points West, depending upon the relative distance from Montebello and Los Angeles to these other points.

O R D E R

Southern California Telephone Company having made application to this Commission on December 29, 1923, proposing the institution of local exchange service as distinguished from local territorial exchange service, in certain parts of applicant's territory, and Southern California Telephone Company having amended this application on February 7, 1924, requesting that it be given authority, among other things, to establish a telephone exchange area at Montebello, and that rates for exchange service be fixed for said area, and that standard rates for toll service between said exchange and other exchanges be fixed; public hearings having been held; this Commission having re-

ceived resolutions from the City of Montebello and from the Chamber of Commerce of Montebello requesting that an exchange be established at Montebello; the Railroad Commission having fully considered applicant's request, the request of the City of Montebello and all other evidence submitted appertaining to this portion of the proceeding, .

THIS COMMISSION HEREBY FINDS that the establishment of a telephone exchange at Montebello, as hereinafter described, together with rates for exchange and toll service, as hereinafter set forth, will result in an economic operation and will be in the interests of the subscribers and the public of Montebello and Los Angeles exchange areas.

IT IS HEREBY ORDERED that Southern California Telephone Company

1. Establish an exchange area, hereafter called "Montebello Exchange", to include the City of Montebello and vicinity, as described in Section (a) of Exhibit "A" attached hereto.
2. Establish a Primary Rate Area within the "Montebello Exchange", as described in Section (b) of Exhibit "A" attached hereto.
3. Commence construction work necessary to render Montebello exchange service to subscribers within the "Montebello Exchange", on or before June 20, 1924.
4. Furnish exchange service to all subscribers within the "Montebello Exchange" on and after August 1, 1924.

5. Furnish toll service from (to) Montebello to (from) other toll points on and after August 1, 1924.
6. Charge and collect rates for exchange service rendered on and after August 1, 1924, as set forth in Section (c) of Exhibit "A" attached hereto.
7. Charge and collect rates for toll service rendered on and after August 1, 1924, as set forth in Section (d) of Exhibit "A" attached hereto.
8. Discontinue furnishing Los Angeles exchange service to subscribers within the "Montebello Exchange" on and after August 1, 1924.
9. File with the Railroad Commission maps of the "Montebello Exchange" area and Primary Rate Area, to show the boundaries as described in Exhibit "A" attached hereto, on or before June 20, 1924.
10. File with the Railroad Commission rates for exchange and toll service, as set forth in Exhibit "A" attached hereto, on or before June 20, 1924.
11. File with the Railroad Commission information within five (5) days after construction work is commenced, showing that the order as contained in Section (3) above is complied with.

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 28th day of May 1924.

W. A. Seavers
W. A. Seavers

Ernest Shore
Ernest Shore

Commissioners

In the Matter of the Application of
SOUTHERN CALIFORNIA TELEPHONE COMPANY
for an order authorizing exchange areas
in the territory served; authorizing
the introduction of measured service,
and authorizing just and reasonable
rates, together with rules and regu-
lations appertaining thereto for the
territory served.

EXHIBIT "A"

in

Decision No. 13624

in

Application No. 9648

Part in 7th.

EXHIBIT "A"

Section (a)

Description of Exchange Boundary
of
"Montebello Exchange".

Commencing at a point of intersection of Moss Drive and southern boundary of the Alhambra Exchange Area of The Pacific Telephone and Telegraph Company and western boundary of Whittier Home Telephone and Telegraph Company; thence in a westerly direction along the southern boundary line of said Alhambra Exchange Area and extension thereto, to the intersection of an extension of a line parallel to Amalia Avenue and located midway between the center lines of Amalia Avenue and Hill View; thence south along said line parallel to Amalia Avenue and located midway between the center lines of Amalia Avenue and Hill View to the intersection of Los Angeles and Salt Lake Railroad Company's right-of-way; thence in a southwesterly direction along a line parallel to Camfield Avenue to a river bed; thence along said river bed to Pacific Electric Railway Company's right-of-way; thence in an easterly direction along said Pacific Electric Railway Company's right-of-way to Rio Hondo River, the western exchange boundary of Whittier Home Telephone and Telegraph Company; thence in a northeasterly and northwesterly direction along said western exchange boundary of Whittier Home Telephone and Telegraph Company to point of beginning.

EXHIBIT "A"

Section (b)

Description of Boundary of Primary Rate Area
of
"Montebello Exchange".

Beginning at a point located on the eastern boundary of the "Montebello Exchange", at the intersection of the Rio Hondo River and a line parallel to and located two hundred (200) feet north of Dewey Avenue; thence in a westerly direction along said line parallel to and located two hundred (200) feet north of Dewey Avenue to the intersection with a line parallel to and located two hundred (200) feet east of Poplar Avenue; thence north along said line parallel to and located two hundred (200) feet east of Poplar Avenue to the intersection with a line two hundred (200) feet north of and parallel to Lincoln Avenue; thence in a westerly direction along said line parallel to and located two hundred (200) feet north of Lincoln Avenue to the intersection with a line running due north and south, which line intersects the center line of Whittier Road at a point two hundred (200) feet west of the center line of Oak Avenue, measured along the center line of Whittier Road; thence due south along said line intersecting Whittier Road at a point two hundred (200) feet west of the center line of Oak Avenue to the center line of Whittier Road; thence in a southwesterly direction along a line at right-angles to Whittier Road to the Los Angeles and Salt Lake Railroad Company's right-of-way; thence in an easterly direction along the center line of the Los Angeles and Salt Lake Railroad Company's right-of-way to the intersection with a line parallel to Vail Avenue and located two hundred (200) feet west of the center line of Vail Avenue; thence in a southwesterly direction along a line parallel to Vail Avenue and located two hundred (200) feet west of the center line of Vail Avenue to the intersection with a line parallel to Ash Street and located midway between Ash and Beach Streets; thence in a southeasterly direction along said line parallel to Ash Street and located midway between Ash and Beach Streets to Rio Hondo River; thence along Rio Hondo River to the point of beginning.

EXHIBIT "A"

Section (c) - Rates for Exchange Service

SCHEDULE NO. A-1

EXCHANGE SERVICE

General Service

Applicable to individual and party line service within the Primary Rate Area of the Montebello Exchange.

Rate

(a) BUSINESS FLAT RATE SERVICE

	<u>Rate per Month per Station</u>	
	<u>Wall Set</u>	<u>Desk Set</u>
Each Individual line station	\$ 3.00	\$ 3.25
Each Two-Party line station	2.25	2.50
Each Extension station	1.00	1.25

(b) BUSINESS COIN BOX SERVICE

	<u>Rate per Day, Including Two Exchange Messages</u>	<u>Each Addi- tional Exchange Message</u>
Each Individual line wall station	\$.10	\$.05

Rate for an Individual line desk station is the above rate plus \$.25 per month.

Each Extension station:

Wall Set	\$ 1.00 per month
Desk Set	1.25 per month

(c) RESIDENCE FLAT RATE SERVICE

	<u>Rate per Month per Station</u>	
	<u>Wall Set</u>	<u>Desk Set</u>
Each Individual line station	\$ 2.50	\$ 2.75
Each Two-Party line station	2.00	2.25
Each Four-Party line station	1.75	2.00
Each Extension station	.75	1.00

EXHIBIT "A"

SCHEDULE NO. A-2

EXCHANGE SERVICE

Joint User Service

Applicable to Joint User Service rendered throughout the entire territory served.

Rate

	<u>Rate per Month</u>
Individual, Business Flat Rate Service, - - - - -	\$ 1.50
Individual Line Coin Box Service, - - - - -	.25

The applicability of joint user service is determined by the obvious or actual use made of the service.

The rate for joint user service includes a listing in the telephone directory and applies in addition to the rates and charges for the facilities and all other service provided. The rate for joint user service is applicable and is furnished upon applications made by the subscriber as follows:

1. Applications for the use of the subscriber's service by any individual, firm, company or association occupying jointly or in part the premises in which the primary station is located. The subscriber's facilities or service are not to be extended outside the premises to provide joint user service.
2. Applications for the use of the subscriber's service for another business conducted by the subscriber and differing in character and subject to a different classification from that for which the facilities are provided.

In the case of individuals, firms, companies and associations engaged in the same business or profession, utilizing a common reception room with offices entering thereon or adjoin-

Schedule No. A-2 (Continued)

ing thereto, one of the number may become the subscriber and the remainder joint users. If the individuals or members of a firm, company or association file a joint income tax return, that will be accepted as sufficient evidence of a single business and joint user service is not applicable. Whenever any individual member of a firm, company or association does not substantially participate in the earnings of his fellow members of such firm, company or association, then that fact shall be conclusive evidence that he is a joint user and the joint user rate is applicable.

The minimum charge for joint user service shall be the monthly rate, provided that if the service is listed in the telephone directory, it shall be paid for until the end of the directory period unless the subscriber's service is discontinued.

EXHIBIT "A"

SCHEDULE NO. A-3

EXCHANGE SERVICE

Applicable to listings in Directory throughout the territory served.

Listings in the alphabetical section of the telephone directory are intended solely for the purpose of identifying subscribers as an aid to the use of telephone service. Telephone directories are furnished subscribers to facilitate the use of the service, and remain the property of the Telephone Company and may be collected upon issuance of new directories. Subscribers are entitled, without charge, to listings in the alphabetical section of the directory as follows:

Individual line service - - - - - 1 listing

In case of a firm, one additional listing will be given for one member of that firm.

Joint user service - - - - - 1 listing

Party line service, each primary station - - - - - 1 listing

ADDITIONAL LISTINGS IN TELEPHONE DIRECTORY

	<u>Rate per Month</u>
Member of same firm or business, each listing - - - - -	\$.25 ✓
Any individual residing at a residence listed at the residence, each listing	.25 ✓
Listing of guest of hotel, each listing	.50 ✓
Any information in addition to a listing, each line - - - - -	.25 ✓

EXHIBIT "A"

SCHEDULE NO. A-4

EXCHANGE SERVICE

Mileage Rates

(a) Individual, Two and Four-Party Service
Within the Suburban Area.

The following mileage rates apply to individual, two and four-party service rendered within the Suburban Area outside the Primary Rate Area, in addition to the General Service rates applying to those services:

<u>Service</u>	<u>Rate per Each One- Quarter Mile or Fraction Thereof Per Month</u>
Each Individual Line Primary Station	\$.50
Each Two-Party Line Primary Station	.35
Each Four-Party Line Primary Station	.25

The above rates are based on air line distance measured between the subscriber's primary station and the nearest point on the boundary of the Primary Rate Area.

(b) Extension Station

The following mileage rates apply to extension stations located outside the subscriber's premises, within the Primary Rate Area or Suburban Area:

	<u>Rate per Each One- Quarter Mile or Fraction Thereof Per Month</u>
Each Extension Station	\$.50

The above rate is based on route mileage, which is the lineal length of the actual circuit required.

EXHIBIT "A"

SCHEDULE NO. A-5

EXCHANGE SERVICE

Private Lines

Applicable to Private Lines throughout the territory served.

Rate

Rate per Month

Each circuit between locations one-half mile or less apart, route mileage - - - - -	\$ 1.50
Each additional quarter-mile or fraction, route mileage - - - - -	.75
Each telephone and battery:	
Wall station - - - - -	1.00
Desk station - - - - -	1.25

Above rate includes battery renewal.

Private lines are provided within the exchange area. They are provided solely for communication between the stations thereon and are not permitted to be connected with exchange service lines.

EXHIBIT "A"

SCHEDULE NO. A-6

Suburban Service

Applicable to Suburban Service of not more than ten parties per circuit within the Suburban Area of the Montebello Exchange.

Rate

	<u>Rate per Month per Station</u>	
	<u>Wall Set</u>	<u>Desk Set</u>
Business Service	\$ 3.50	\$ 3.75
Residence Service	3.00	3.25

In no case will the total number of stations connected to one circuit exceed ten stations.

EXHIBIT "A"

SCHEDULE NO. A-7

EXCHANGE SERVICE

Public Pay Station Service

Applicable to service from non-listed public telephone stations throughout the entire exchange area.

Rate

Each Exchange Message - - - - - \$0.05

EXHIBIT "A"

Section (d)

Rates for Toll Service

Rates for Toll Service between Montebello and other Toll points are the rates determined 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; provided, however, that as to any toll points on a connecting line over which rates established by the Postmaster General do not apply, the rate shall be the sum of the rate between Montebello and the connecting point on such line to which such rates established by the Postmaster General do apply, and the rate in effect between this connecting point and the toll point.