

Decision No. 13987

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
SANTA BARBARA TELEPHONE COMPANY, a
corporation, for an order to in-
crease its rates.

Application No. 5039.

BY THE COMMISSION:

ORIGINAL

FIRST SUPPLEMENTAL ORDER

Santa Barbara Telephone Company has filed a supplemental application in the above entitled matter, requesting that the decision and order No. 7542 be amended and changed to permit applicant to invest its depreciation funds in its properties and for such other and further relief as may be meet and proper in the premises. Decision No. 7542, dated May 5, 1920, authorized the company to file and to put into effect a schedule of telephone rates, subject among others to the following condition:

" Applicant shall set aside into a depreciation fund the sum of \$33,000 per annum in monthly installments of \$2,750. for the purpose of taking care of such renewals and replacements as shall be covered by the fund. Applicant shall file with this Commission, within thirty days of the date of this order, its suggestions for rules governing the functions and use of the depreciation fund, and these rules shall thereafter go into effect as approved or modified by the Commission."

Following this order certain rules were adopted, effective September 28, 1920, relative to the use of the depreciation fund.

The Commission has considered the actual operations of the Company under the rules now in effect and the manner in which the business of the company has been conducted, and is of the opinion that Decision No. 7542 may be modified as herein provided; therefore

IT IS HEREBY ORDERED that:

(1) Condition Two (2) of the order in Decision No. 7542, dated May 5, 1920, referred to above, is hereby vacated and set aside. Any moneys now in the depreciation fund are released and may be used to pay the cost of extensions and betterments to its plants and facilities or to replace such plants and facilities.

(2) Santa Barbara Telephone Company shall adjust its reserve for accrued depreciation to such an amount as may be determined to be reasonable for the property as it existed on July 1, 1924, based upon a five (5) per cent sinking fund computation, and thereafter shall credit to said reserve such depreciation annuities as will be determined by this Commission to be reasonable and, in addition thereto, interest at the rate of five (5) per cent per annum on said reserve.

DATED at San Francisco, California, this 27th day of August, 1924.

C. Seavey

Barton Shaw

J. H. Whitting

Commissioners