

Decision No. 10-694.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application
of the CAMPBELL TELEPHONE COMPANY
for an order authorizing additional
rates for telephone exchange ser-
vice.

Application No. 11,474.

A. C. Keesling, for applicant.

SEAVEY, Commissioner.

O P I N I O N

This is a proceeding in which the Campbell Telephone Company requests the Railroad Commission for an order authorizing it to establish rates for individual line business and residence service not heretofore rendered and to increase the present rate for 10-party line business service, to file rules and regulations applicable to charges for the installation of service, the restoration of service and charges for moves and changes and for such other relief as the Commission may find necessary.

A hearing in this matter was held in the town of Campbell on November 10, 1925 at which time and place the matter was submitted.

Applicant is now furnishing magneto 10-party line telephone service to approximately 167 subscribers in the territory comprising some sixteen square miles immediately surrounding the Campbell exchange area of The Pacific Telephone and Telegraph Company. Applicant

does not maintain or operate a central telephone office and switching to and from its various lines is performed by The Pacific Telephone and Telegraph Company thru its central office located in Campbell. Applicant owns the subscribers' telephone lines located within the territory which it serves up to the point where these lines cross the boundary line of the Pacific Company's Campbell exchange area at which point they connect with lines of the Pacific Company and extend to the Pacific Company's Campbell central office.

The rates now being charged by applicant for 10-party line service are \$1.50 per month for non-stockholders payable in quarterly installments, and \$1.10 per month for stockholders, the latter charge being subject to a discount of \$1.20 per year if paid annually in advance. Under the above rates, applicant owns and maintains all subscribers' lines and instruments with the exception that battery renewals to those telephone instruments used in furnishing service to stockholders are made at the expense of those subscribers.

For the central office operating and maintenance of lines from the central office to the point where they connect with the lines of the applicant, applicant pays to the Pacific Company a rate of \$3.00 per year for each residence station and \$6.00 per year for each business station but in no case less than \$15.00 per circuit per year. At present, charges for toll service are billed directly to the various subscribers of applicant by the Pacific Company. This method necessitates the subscribers dealing with the two utilities, one for local or exchange service and the other for toll service. It appears that a more satisfactory relation would result both to the subscribers and applicant if the latter would handle the billing for toll service to its subscribers. This would require that applicant and Pacific Company enter into an agreement whereby the latter would hold the former responsible for

charges for toll service furnished to its subscribers and the former would render bills submitted to it by the latter, to the subscribers and collect these charges. In making such an agreement, applicant is entitled to receive from the Pacific Company a reasonable compensation for the work performed.

The furnishing of a telephone service to a stockholder at a different rate from that charged other subscribers for the same service appears to constitute a discriminatory practice and should at this time be eliminated. The rates set forth in the order following will provide uniform rates for service furnished and also will require applicant to maintain at its expense all telephone instruments, including all battery renewals.

The average investment in applicant's properties for the year 1924, plus materials and supplies and working cash capital, as determined from applicant's annual reports to the Railroad Commission, amounts to \$7,184.00. From investigation of applicant's operations, the Commission's engineers find that during the year 1924 reasonable operating expenses amounted to \$2,755.00 and the application of the proposed rates to applicant's business for the year 1924 would have resulted in a gross revenue of \$2,826.00. This would leave a balance for return of \$71.00 which is approximately one (1) per cent of applicant's book figures of investment. These rates as requested and as set forth in the order following, therefore, do not appear to be unreasonably high.

Applicant also requests authority to file certain rules and regulations applicable to charges for installation of service, restoration of service and charges for moves and changes. These rules which applicant requests are similar to rules and regulations heretofore fixed by this Commission in its Decision

No. 13478 dated April 24, 1924 (24 C.R.C. 854) and are similar to rules now in effect for other telephone utilities operating under like conditions. There appears to be no reason why applicant should not now file such rules and regulations.

O R D E R

The Campbell Telephone Company, having requested the Railroad Commission for an order authorizing it to establish rates for Individual Line Business and Residence service, to increase the rate for ten-party line Business service, to file Rules and Regulations applicable to charges for installation of service, restoration of service, and charges for moves and changes, and for such other relief as the Commission may find necessary, a hearing having been held, the matter having been submitted and now ready for decision:

The Railroad Commission of the State of California hereby finds as a fact that the rates now being charged by applicant in so far as they differ from the rates hereinafter set forth are unjust and unreasonable and that the rates herein established and set forth in Exhibit "A" attached hereto are reasonable in view of the conditions under which the services are rendered, and that applicant should file Rules and Regulations as set forth in Exhibit "B" attached hereto.

Basing its order on the foregoing findings of fact and on such other findings and statements of fact as are set forth in the opinion preceding this order:

IT IS HEREBY ORDERED that Campbell Telephone Company shall:

(1) Charge and collect the rates for exchange telephone service set forth in Exhibit "A" attached hereto for service furnished on and after January 1, 1926,

(2) File with the Railroad Commission on or before December

(3) File with the Railroad Commission on or before December 20, 1925, rules and regulations governing the furnishing of telephone service as set forth in Exhibit "B" attached hereto.

Dated at San Francisco this 23rd day of

November 1925.

Hottel & Co. v. de
 O'Leary
 George D. Thomas
 John West
 Commissioners.

EXHIBIT "A"

RATES

FOR

EXCHANGE SERVICE

Exchange Service - Schedule No. A-1.

Suburban Service:

Applicable to ten (10) party business and residence service furnished throughout the entire territory served.

Rate:

(a) Station Rate

	<u>Rate per Month per Station</u>	
	<u>Wall Set</u>	<u>Desk Set</u>
Business Service	\$1.75	\$2.00
Residence Service	1.25	1.50
Extension Bell	\$.25 per month	

(b) Switching Rate

This rate is The Pacific Telephone and Telegraph Company's switching rate in effect in its Campbell exchange.

Conditions:

- (1) The total charge will be the sum of the charges resulting from the application of the above rates (a) and (b).
- (2) The subscriber will be allowed a discount of ten (10) per cent on the station rate under the above rate (a) if the total bill for exchange service is paid in advance for one year during the first month of the year.

Exchange Service - Schedule No. A-2.

General Service:

Applicable to Individual Line Business or Residence
Service furnished throughout the entire area served.

Rate:

(a) Station Rate

	Rate Per Month Per Station	
	Wall Set	Desk Set
Business Service	\$1.00	\$1.25
Residence Service	.50	.75
Extension Station on Same premises as Primary Station	1.00	1.25
Extension Bell	\$.25 per month	

(b) Switching Rate

This rate, applicable to the primary station, is The Pacific Telephone and Telegraph Company's switching charge in effect in its Campbell exchange.

(c) Mileage Rate

\$0.50 for each one-quarter (1/4) mile or fraction thereof per month per line.

Conditions:

- (1) The total charge will be the sum of the charges resulting from the application of the above rates (a), (b) and (c).
- (2) The mileage charge in the above rate (c) is based on the air line distance from the subscribers primary station to the nearest point on the Primary Rate Area boundary of the Campbell Exchange.
- (3) The subscriber will be allowed a discount of ten (10) per cent on the station rate under Rate (a) above if the total bill is paid for one year in advance during the first month of the year.

EXHIBIT "B"

RULES AND REGULATIONS

GOVERNING

TELEPHONE SERVICE

RULES AND REGULATIONS

A. Service Connection Charges

Service connection charges provided for hereunder are payable at the time application for the particular service or facility is made and are in addition to the regular schedule of rates.

Service connection charges apply to all exchange service and facilities in accordance with the following provisions:

(1) New Service

Individual and Party Lines:

Business and residence, each station - - \$3.50

Extension Stations:

Business and residence, each station - - \$1.50

(2) Additional Service

Individual and Party Lines:

Business and residence, each station - - \$3.50

Extension Stations:

Business and residence, each station - - \$1.50

(3) Service where the telephone instrument is already in place on Subscriber's Premises.

Business and residence, subscribers' exchange service, one or more units - - - - - \$1.50

A change in location or type of instrumentalities made at subscriber's request is subject to the charges for moves and changes provided the total charges for such moves and changes shall not exceed the charges for the initial establishment of the subscriber's complete service and facilities.

Service connection charges do not apply under the following conditions:

Business Service:

- (a) When service is assumed by a receiver or trustee, executor or administrator of an estate.
- (b) Change in the name of the business concern (i.e., individual, partnership, syndicate or corporation) when there is no complete change in ownership or management.

Residence Service:

- (a) When service is assumed by a member of the former subscriber's family located in the same premises.
- (b) When there is no change in the individuality of the recipient.
- (c) When the subscriber's name has been changed by marriage or court order.
- (d) When an employer has arranged for service in the residence of his employee and the latter desires personally to assume the responsibility for the service or when the responsibility for the service of an employee is to be assumed by his employer.

B. Moves and Changes

Moves and changes of telephone apparatus and wiring on the subscriber's premise, at the request of the subscriber, will be made by the Company and the charges for such work will be as follows:

(a) Telephone Sets

- | | |
|--|--------|
| 1. Moving from one location to another | \$2.00 |
| 2. Change in type or style | 2.00 |

(b) Other Equipment and Wiring

Charges for moving or changing of equipment or wiring other than that included under (a) will be an amount equal to the actual cost of labor and material involved.

(c) Maintenance

The charges specified above do not apply if the changes or moves are initiated by the Telephone Company and required for proper maintenance of the equipment or service.

(d) Change in Class of Service

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

C. Service Charge for Restoration of Service

A service charge of \$1.00 may be made and collected by the Company before the restoration of service, where service has been temporarily discontinued for any of the following reasons:

- (a) Non-Payment of bills as required by the Company's Rules and Regulations.

(b) To protect the Company against fraud.

(c) For failure of subscriber to comply with the Company's Rules and Regulations after service has been established.

(d) For any other reason for which the subscriber is responsible except a change in class, type or grade of service or location of facilities.

When a service has been permanently disconnected the above charge does not apply.

D. Definitions, Rules and Regulations

Definitions, rules and regulations similar to those definitions, rules and regulations contained in this Commission's Decision No. 13478, except as modified in Sections A, B, and C above.