

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
NEVADA, CALIFORNIA AND OREGON
TELEGRAPH AND TELEPHONE COMPANY

for Certificate of Public Convenience
and necessity to construct an extension
to its existing telephone and telegraph
lines along the State Highway between
Chester, Plumas County, and Red Bluff,
Tehama County, California, via Mineral
and Payne's Creek, Tehama County,
California, and to operate said ex-
tension for the transaction of both
interstate and intrastate telephone and
telegraph business in conjunction with
applicant's system generally, and to
serve the communities along, and the
territory generally adjacent to, said
Highway.

ORIGINAL

Application No. 12,721.

Albert A. Rosenshine, for Applicant.

James G. Marshall, for Sacramento Valley Telephone
Company and The Pacific Telephone and
Telegraph Company.

R. L. Swanson, for the R. L. Swanson Telephone
System, Protestant.

WHITSELL, COMMISSIONER:

O P I N I O N

Nevada, California and Oregon Telegraph and Telephone
Company, applicant herein, is a corporation organized under the
laws of the State of Nevada conducting a general telephone and
telegraph business in portions of the State of California and
other states. In this proceeding the applicant is seeking a
certificate of public convenience and necessity authorizing it
to construct and operate as a part of its system as a public
utility a toll telephone and telegraph line to extend from Chester,

Plumas County, to Red Bluff, Tehama County. Applicant intends to connect the proposed line to its existing toll telephone and telegraph lines at Chester and to the lines of The Pacific Telephone and Telegraph Company at Red Bluff for the purpose of a general interchange of toll telephone and telegraph business between points on the lines of the latter company and points on the lines of applicant.

A public hearing was held in this matter at Red Bluff on June 4, 1926.

The application sets forth in effect that the travel along the route of the State Highway between Red Bluff, Tehama County, and Susanville, Lassen County, is steadily increasing and that telephone and telegraph facilities along such route are highly desirable; that the territory traversed by the above mentioned highway is not now served by any telephone or telegraph public utility except at Payne's Creek and that portion lying between Payne's Creek and Red Bluff; and that the constructing and operation of the proposed line would provide telephone and telegraph service over a direct route between points on applicant's system in Lassen and Plumas Counties and points in the Sacramento Valley at a lower charge to users than is now effective for service by way of a more circuitous route through Reno, Nevada. Testimony of witnesses presented by applicant at the hearing purported to substantiate statements as made in its application.

Mr. R. L. Swanson, representing the R. L. Swanson Telephone System, protests the granting of a certificate of public convenience and necessity to applicant, in so far as the establishment of toll telephone stations by applicant at Payne's Creek and Mineral is concerned on the grounds that the Swanson System has, for over twenty years, been providing telephone service in Payne's Creek and vicinity. Mr. Swanson's testimony

further indicates that, although the lines of his system extend at present but a short distance east of Payne's Creek, he is ready and willing to extend his lines to Mineral to provide facilities sufficient to supply service which may be demanded at that point.

Protestant has heretofore filed with the Railroad Commission its rates for toll service between Red Bluff and Payne's Creek and Red Bluff and certain other points not involved in this proceeding, thus making his status that of a public utility, furnishing a toll service over a portion of the route along which applicant has requested permission to construct and operate a toll telephone line. The Swanson System has not furnished and does not now furnish service at Mineral.

Sacramento Valley Telephone Company through counsel claims that the revenue derived from the portion of its system located east of Red Bluff including toll line from Red Bluff to Payne's Creek and Manton is not sufficient to justify its continuance in business in this territory already served by another telephone utility and that it desires to withdraw service from this location.

I believe that the record herein clearly demonstrates that public convenience and necessity require the construction by applicant of a toll telephone and telegraph line from Red Bluff to Chester for the purpose of transmitting messages between points in the Sacramento Valley and points on its existing system, and applicant should apply for service over this line, rates based upon those rates now in effect on its system for similar service under similar conditions. Authorizing these rates does not, however, mean that I think the rates are reasonable. Further, it does not appear that public telephone stations should be opened at points on this line that are already provided with service by a public telephone utility. At the present time service is provided at Payne's Creek by R. L. Swanson Telephone System. The

Swanson System, however, has made no effort to provide service at Mineral although the record shows that it has had ample opportunity to do so and should not urge a superior right to serve a territory which it has not already entered. For that reason I believe applicant should provide a toll telephone station for the use of the public at Mineral.

I herewith submit the following form of order:

O R D E R

Nevada, California and Oregon Telegraph and Telephone Company having requested the Railroad Commission for an order granting it a certificate of public convenience and necessity authorizing it to construct an extension to its existing telephone and telegraph lines along the State Highway between Chester, Plumas County, and Red Bluff, Tehama County, California, via Mineral and Payne's Creek, Tehama County, California, a public hearing having been held in this proceeding, the matter being submitted and now ready for decision;

The Railroad Commission hereby declares that public convenience and necessity require the construction and operation of a toll telephone and telegraph line between Chester, Plumas County, and Red Bluff, Tehama County, California, and

IT IS HEREBY ORDERED, that a certificate of public convenience and necessity be and it is hereby granted to Nevada, California and Oregon Telegraph and Telephone Company authorizing the construction and operation by it as a public utility of a toll telephone and telegraph line between Chester, Plumas County, and Red Bluff, Tehama County, for the transmission of intelligence to and from Chester and points on its existing lines east of Chester and Red Bluff.

IT IS HEREBY FURTHER ORDERED that Nevada, California and Oregon Telegraph and Telephone Company shall charge and

collect rates for toll telephone and telegraph service between Red Bluff and Chester which shall be based on its toll telephone and telegraph rate structure at present in use on its system and shall be equal to rates for similar service under similar conditions elsewhere on its lines, after showing to this Commission that it has completed construction necessary to render toll telephone and telegraph service between Red Bluff and Chester and upon issuance of a supplemental order by this Commission.

IT IS HEREBY FURTHER ORDERED that Nevada, California and Oregon Telegraph and Telephone Company be and it is hereby authorized to establish and maintain physical connections for the interchange of toll telephone and telegraph business at Red Bluff, Tehama County, with the lines of The Pacific Telephone and Telegraph Company under connecting contracts entered into by Nevada, California and Oregon Telegraph and Telephone Company and The Pacific Telephone and Telegraph Company to be submitted to the Railroad Commission for approval.

IT IS HEREBY FURTHER ORDERED that Nevada, California and Oregon Telegraph and Telephone Company be and it is hereby authorized to establish and place in operation a toll telephone and telegraph station at Mineral, Tehama County, California, and to publish, file and place in effect rates for service rendered to and from such station as hereinbefore set forth, effective as of such date as may be fixed by supplemental order herein.

The authority herein contained is granted subject to the following conditions and not otherwise:

(1) Nothing herein shall be construed as authorizing the establishment of any toll station, telephone exchange, telegraph station or the connection for public use of any telephone or telegraph instrument to the toll telephone and telegraph line between Red Bluff and Chester other than the terminal station in Red Bluff and the station at Mineral.

For all other purposes the effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 17 day of

July
~~June~~, 1926.

O'Shannon
 Ernest W. O'Shannon
 Leon O'Shannon

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