

Decision No. 17586

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application
of Oscar Reinhardt for an order
authorizing a rate increase, and
fixing primary rate area.

Application No. 12983.

Oscar Reinhardt for Applicant, Reinhardt.

BY THE COMMISSION:

O P I N I O N

In this proceeding, Oscar Reinhardt, engaged in rendering telephone service in the town of Knights Landing, and doing business under the name and style of Knights Landing Telephone Exchange, requests an order of the Railroad Commission authorizing an increase in telephone rates and the establishment of a primary rate area within the territory served by him.

A public hearing was held in this matter before Examiner Satterwhite in the Town of Knights Landing on September 30, 1926, at which place and time the matter was submitted.

Applicant in this proceeding, Oscar Reinhardt, operates a magneto type of telephone exchange in the Town of Knights Landing from which he is furnishing twenty-four (24) hour service to some sixty-three (63) exchange subscribers and thirteen (13) farmer line subscribers.

Applicant submitted an inventory of his plant, which, when checked, was found to contain numerous omissions.

A complete inventory of the plant was then made by Mr. E. M. Blakeslee, Assistant Engineer of the Commission, who found the historical reproduction cost of the property, undepreciated, to be \$4,014.00, as of September 1, 1926.

Applicant submitted an operating statement for the year 1925, which showed total revenues of \$2,064.38, and total operating expenses of \$2,720.00, resulting in an operating loss of \$655.62. These figures are of little value, however, as accurate accounts of his operations have not been kept by applicant, who will be required to maintain proper accounting in the future.

From an investigation of applicant's operations, the Commission's engineers estimate operating revenues of \$2,323.00 for the year 1927 at his present rates, and reasonable operating expenses of \$2,569.00, which would result in an operating loss of \$246.00. Under the rates established by the Order following, a lower return will be received than has sometimes been obtained in other exchanges.

We are of the opinion that if a higher schedule of rates were established, a less gross revenue would be received for the reason that a substantial decrease in number of subscribers would result.

Applicant is furnishing twenty-four (24) hour service, which is a higher grade of service than is usually rendered in exchanges of this size and character. No request was made by applicant for a change in hours of service, and no evidence was received at the hearing to indicate that reduced hours of service would be advisable, and the Order following will make no change in operating hours for the exchange. Applicant may expect a greater rate of return as his number of subscribers increases for the reasons that new business can be provided for without an increase in switchboard equipment or increased labor charges for operating and maintenance.

Applicant requests authority to establish a primary rate area and to file and make effective mileage charges, and move and change charges.

There appears no good reason why applicant should not receive relief in the form of increased rates, establish a primary rate area and file rules and regulations governing the furnishing of service by him.

O R D E R

Oscar Reinhardt, doing business under the name and style of Knights Landing Telephone Exchange, having applied to the Railroad Commission for an order authorizing him to increase certain rates for telephone service and to establish a primary rate area, a public hearing having been held, the matter having been submitted and being now ready for decision,

The Railroad Commission of the State of California finds as a fact that the rates now charged by applicant are unjust and unreasonable and that the rates herein established and shown in Exhibit "A" attached hereto are reasonable for services furnished under conditions set forth in the Opinion preceding this Order and that applicant should file a map of, and establish a primary rate area as shown in Exhibit "B," attached hereto, and further file the rule and regulation relative to moves and changes as set forth in Exhibit "C," attached hereto.

Basing its order on the foregoing findings of fact and on such other findings of fact as may be contained in the Opinion preceding this Order:

IT IS HEREBY ORDERED that Applicant, Oscar Reinhardt, on or before December 20, 1926, shall:

1. file with the Railroad Commission the rates set forth in Exhibit "A," attached hereto, for service furnished on and after January 1, 1927:

2. file with the Railroad Commission a map showing the boundary of the primary rate area of the Knights Landing Exchange as set forth in Exhibit "B," attached hereto: and

3. file with the Railroad Commission rules and regulations governing the furnishing of telephone service, as set forth in Exhibit "C," attached hereto.

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 30th day of October, 1926.

H. B. Brundage
C. L. Sweeney
Emmett
Leon A. White
Thos. Shout

EXHIBIT "A"

EXCHANGE SERVICE - SCHEDULE NO. A-1

GENERAL SERVICE - KNIGHTS LANDING.

SERVICE:

Applicable to business, individual line and four-party line flat rate service and residence individual line and four-party line flat rate service, furnished within the primary rate area of the Knights Landing Telephone Exchange.

RATE:

	Rate per month	
	Wall set	Desk set
(1) Business Flat Rate Service:		
Each individual line station	\$2.50	\$2.75
Each four-party line station	2.00	2.25
Extension station	1.00	1.00
(2) Residence Flat Rate Service:		
Each individual line station	2.00	2.25
Each four-party line station	1.50	1.75
Extension station	1.00	1.00

CONDITIONS:

(1) Individual and party line services will be provided outside the primary rate area and within the exchange area at the above rates plus mileage.

(2) Extension stations will be provided in connection with individual line service. The maximum number of extension stations which may be connected to the primary station is three. None will be provided in connection with four-party service.

Residence extensions must be installed in the same premises as the primary station. Business extension stations may be installed off the premises in which the primary station is located, provided they are for use by the subscriber only and located on the subscriber's premises. The above rates plus mileage rates are applicable to outside extensions.

EXCHANGE SERVICE - SCHEDULE A-2.

MILEAGE RATES:

Mileage rates applicable throughout the entire territory served.

RATE:

1. Within suburban area.

Rate per each one-quarter
mile or fraction thereof
per month

Each individual line primary station
Each four-party line primary station

\$0.50
.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. The above mileage rates are applicable to a service located outside the primary rate area but within the exchange area and are in addition to the rates for the same service furnished within the primary rate area.

2. Within the entire exchange area.

Rate per each one-quarter
mile or fraction thereof
per month

Each extension station

\$0.50

The above mileage rate is applicable to extension stations located off the premises in which the primary station is located and is in addition to other charges for the service. The charge shall be computed on route mileage, which is the lineal length of the actual circuit required.

EXCHANGE SERVICE - SCHEDULE A-3.

SUBURBAN SERVICE:

Applicable to suburban party line service furnished in the suburban area of the Knights Landing Exchange.

RATE:

	Rate per month per station	
	<u>Wall set</u>	<u>Desk set</u>
Business Service	\$3.00	\$3.25
Residence Service	2.50	2.75

CONDITIONS:

Suburban service is furnished outside the primary rate area but within the exchange area. In no case will the total number of stations connected to one circuit exceed ten (10) stations.

EXCHANGE SERVICE - SCHEDULE A-4.

FARMER LINE SERVICE:

Applicable to farmer line service rendered in the suburban area of the Knights Landing Exchange.

	<u>Rate per year</u>
Farmer Line Service:	
Each business station	\$7.20
Each residence station	3.60

Minimum Charge:

The minimum charge is \$18.00 per year per circuit.

CONDITIONS:

Farmer line service will be furnished outside the primary rate area and within the exchange area. A farmer line station shall not extend across an exchange boundary.

The Knights Landing Telephone Exchange will provide, own and maintain all lines and facilities used to furnish farmer line

service to the boundary of the primary rate area except where the city limits are beyond this boundary, in which case the lines and facilities extend to the boundary of the city limits.

The subscribers will provide, own and maintain all lines and facilities beyond the boundary of the primary rate area or city limits.

EXCHANGE SERVICE - SCHEDULE A-5.

SUPPLEMENTAL EQUIPMENT:

Applicable to supplemental equipment throughout the territory served.

RATE:

	<u>Installation Charge</u>	<u>Rate per Mo.</u>
Ordinary extension bell	\$1.25	\$.25
Desk set cords exceeding 6 ft. in length, each installa- tion and replacement	1.00	-

EXHIBIT "B"

MAP SHOWING

PRIMARY RATE AREA

OF

KNIGHTS LANDING TELEPHONE EXCHANGE

CALIFORNIA RAILROAD COMMISSION

MAP SHOWING
PRIMARY RATE AREA
OF
KNIGHTS LANDING TELEPHONE EXCHANGE

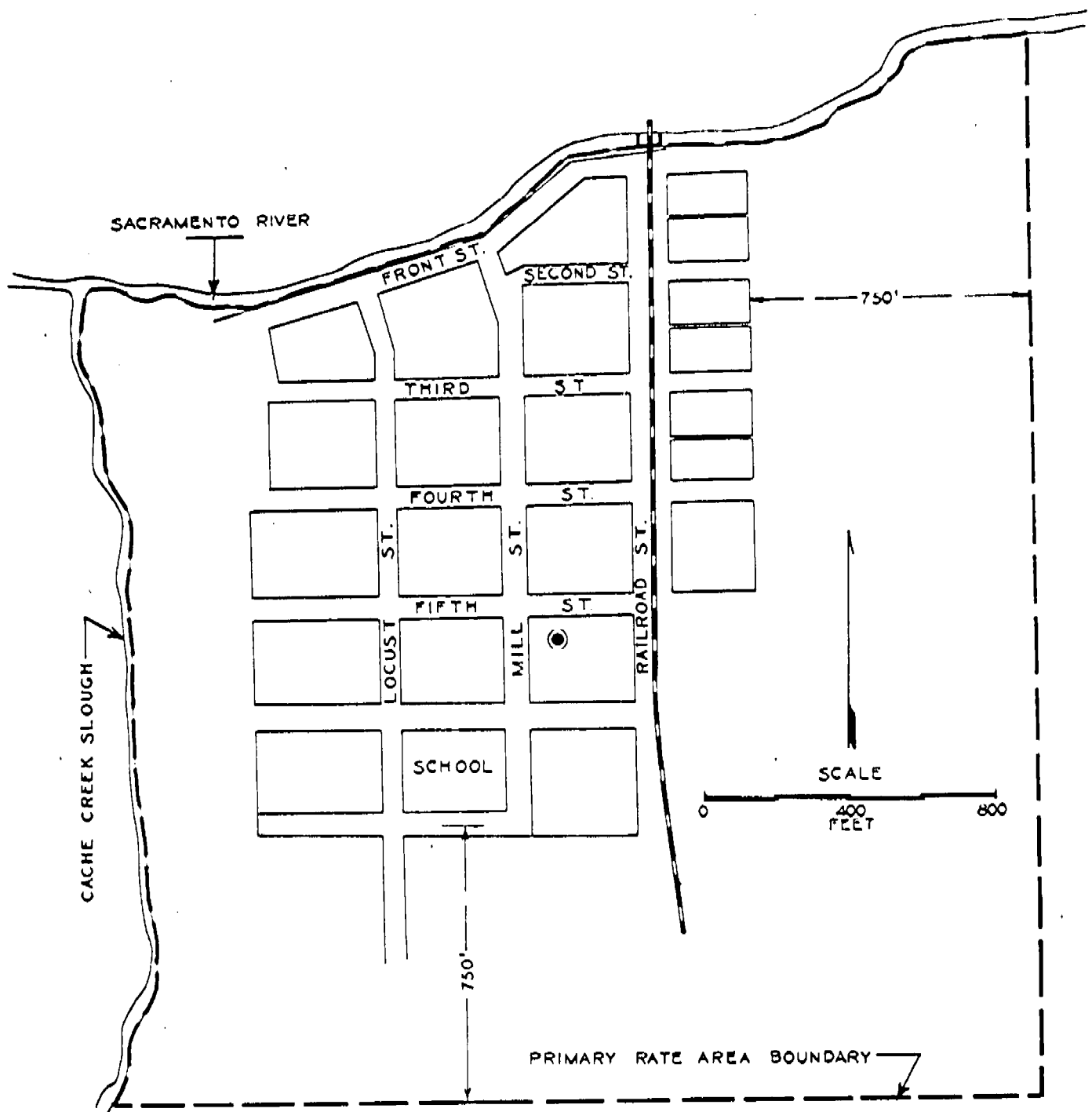


EXHIBIT "C"

RULES AND REGULATIONS GOVERNING TELEPHONE SERVICE

A. MOVES AND CHANGES:

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

(a) Telephone Sets:

- | | |
|--|--------|
| 1. Moving from one location to another | \$3.00 |
| 2. Change in type or style | 3.00 |

(b) Other Equipment and Wiring:

Charges for moving or changing of equipment or wiring other than that included under (a) above, 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 change or moves are initiated by the Telephone Company and are required for the 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 in type, class or grade of service.

B. DEFINITIONS, RULES AND REGULATIONS similar to those definitions, rules and regulations contained in this Commission's Decision No. 13,478 (24 CRC 854) except as modified in Section A above.