

Decision No. 17767.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of the  
KINGSBURG TELEPHONE COMPANY for an order  
of the Railroad Commission of the State  
of California for authority to withdraw  
from the status of a public utility in  
the furnishing of telephone service in  
the suburban area surrounding the primary  
rate area of the Kingsburg Exchange of  
The Pacific Telephone and Telegraph  
Company.

ORIGINAL

Application No. 13,197.

A. Leon Peterson, Secretary, for Applicant,  
Kingsburg Telephone Company.

BY THE COMMISSION:

O P I N I O N

In this proceeding the Kingsburg Telephone Company, asks for authority to withdraw from the status of a public utility in the furnishing of telephone service in the suburban area surrounding the primary rate area of the Kingsburg Exchange of The Pacific Telephone and Telegraph Company.

A hearing was held in this matter at which it appeared that the applicant is engaged in furnishing telephone service to its members only at locations in the suburban area of The Pacific Telephone and Telegraph Company's Kingsburg Exchange. Applicant's system is comprised of some fifty farmers' lines serving approximately 460 stations.

Mr. A. Leon Peterson, Secretary of Applicant stated at

the hearing that the practice is that before an applicant for telephone service may be provided with service by this Company he must first purchase a share in the Company for Twenty (20) dollars, sign the By-Laws, and be voted a member by the Board of Directors. The member must purchase and maintain the telephone instrument over which he receives service and should the installation of his service require a line extension costing in excess of Twenty (20) dollars, he is required to pay for that excess cost. Shares in the Company are not redeemable but may be sold to a member, or to a new applicant for service for any consideration, in which event the purchaser must be voted a member before being served.

The applicant owns and maintains all lines from the subscriber's premises to the boundary of the primary rate area of the exchange from which point connection with the central office of the Kingsburg Exchange is made by lines owned by the Pacific Company. Switching service to and from, and between applicant's lines is furnished by the Pacific Company and each member of applicant pays to the Pacific Company the charges for this service. Toll service is likewise furnished to applicant's members by the Pacific Company and for this service the Pacific Company bills the charges to and collects them from the individual members according to their usage. Applicant does not participate in a division of this toll revenue, and makes no charges to its members for service other than pro rata assessments levied by the Board of Directors from time to time to provide for maintenance and repairs.

Although applicant has for some time past been filing its reports of operation with this Commission, it is evident from the testimony before us that its operations are, in fact, those of a typically mutual telephone company. We therefore believe that its present application should be granted, no public policy contrary

thereto appearing.

O R D E R

Kingsburg Telephone Company having requested the Railroad Commission of the State of California for an order authorizing it to withdraw from the status of a public utility in the furnishing of telephone service in the suburban area of the Kingsburg Exchange of The Pacific Telephone and Telegraph Company, a hearing having been held and the matter now being ready for decision;

It is hereby found as a fact that the operations of said applicant are and have been mutual in nature rather than of a public utility character, and basing its order on the foregoing finding of fact and upon the statements of fact contained in the opinion preceding this order;

IT IS HEREBY ORDERED that applicant, Kingsburg Telephone Company be and it is hereby relieved of any and all obligations as a public utility telephone company.

Dated at San Francisco, California, this 17<sup>th</sup> day of December, 1926.

H. B. ...

C. ...

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Commissioners.