

Decision No. 18566.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the Application of the Reedley Telephone Company for permission to Purchase, and Trustees of the General Grant Park Telephone Co., for permission to sell, a portion of its telephone lines, and for the latter to abandon or otherwise dispose of the balance of its lines, and for a rate to be established for toll service between Reedley, General Grant National Park and Wilsonia.

ORIGINAL

Application No. 13667.

A. Terkel, for Applicant, Reedley Telephone Company.
J. H. McCracken and H.L. Andrews, for Applicant, General Grant Park Telephone Company.

BY THE COMMISSION:

O P I N I O N

Reedley Telephone Company, a corporation, hereinafter referred to as the Reedley Company, petitions the Railroad Commission for an order authorizing it to purchase a portion of the telephone system owned by the General Grant Park Telephone Company, to make the necessary connections to its lines to permit it to render telephone service in General Grant National Park, Wilsonia and Badger, and to file and make effective certain rates for telephone service to and from these points. General Grant Park Telephone Company, a corporation, hereinafter referred to as the Park Company, asks authority to sell a certain portion of its telephone system to the Reedley Company and to dispose of the remaining portion of its present property as best it can.

A public hearing in this matter was held at Dinuba before Examiner Gannon on May 27, 1927.

The Park Company was organized for the purpose of rendering toll telephone service between Dinuba, Tulare County, and certain points in Tulare and Fresno Counties, namely, Drum Valley and Badger, Tulare County, and Miramonte, General Grant Park Headquarters and Wilsonia, Fresno County. Local exchange service was to be provided by central office switchboards located at points where demand for this service was expected. The Park Company constructed a main pole lead extending from the vicinity of Orosi, Tulare County, to Wilsonia, via Drum Valley, Miramonte and General Grant Park Headquarters and a branch pole lead from Miramonte to Badger. Two metallic iron circuits were strung, by the Park Company, from a connection with the system of The Pacific Telephone and Telegraph Company at Dinuba to Miramonte and single metallic circuits were extended from Miramonte to Badger and to Wilsonia. Central office switchboards were installed at Miramonte and Wilsonia and an additional metallic circuit was strung from Wilsonia to General Grant Park Headquarters. Operation of its telephone system as a public utility was commenced by the Park Company in the latter part of the year 1923, but, according to statements of its witnesses at the hearing in this proceeding, such operation has not resulted in a profit to the Park Company. Testimony showed that revenue accrued over the period during which the system has been in use has not been sufficient to meet operating expenses and the Park Company now has total obligations of from \$1,500. to \$2,000.

The Reedley Company has operated, for a number of years past, a metallic telephone circuit extending from its central office in Reedley to Pinehurst, via Navalencia, Squaw Valley, Dunlap and Miramonte, all in Fresno County, and now proposes to

acquire the property of the Park Company extending from Miramonte into General Grant National Park and from Miramonte to Badger, and make rearrangements necessary to serve these points from Reedley over its own line rather than over the Park Company's lines from Miramonte to Dinuba as at present. The consideration agreed upon by applicants for the transfer of that portion of the system desired by the Reedley Company is \$3,000. in 7% bonds of the Reedley Company.

It should be said, however, in this connection, that the Reedley Company has not asked permission to issue the \$3,000. of bonds. The matter of issuing the bonds should be made the subject matter of an amended application in this or some other proceeding.

Mr. F. M. Casal, Assistant Engineer, Telephone and Telegraph Division of the Commission's Engineering Department, gave testimony at the hearing as to value of the property proposed to be transferred by the Park Company to the Reedley Company. He presented an appraisal of this property, showing a total value of \$3,903. on the historical reproduction cost basis, undepreciated, as of July 21, 1925. According to Mr. Casal's inventory, the property which the Reedley Company proposes to purchase consists of the following principal items:

- 2 - Kellogg Switchboard & Supply Company wall type telephone switchboards.
- 6 - K. S. & S. Co. magneto telephone sets, desk type.
- 5 - " " " " wall "
- 11 - Station installations.
- 332 - Round native cedar poles.
- 32 - 4 pin crossarms.
- 28 - Anchors.
- 37 - Guys.
- 14.2 Wire miles, #9 B.W.G. E.B.B. galv. iron wire.
- 8.0 " " #12 " " " " "

The Reedley Company does not desire to operate the central offices which were established by the Park Company at Miramonte and Wilsonia but proposes to serve these points as toll stations; in addition, it seeks to establish a new toll station, to be known as Camp Gaines, at Sequoia Lake. The Reedley Company

further asks the Railroad Commission to authorize a so-called "other line" initial charge for three minute period of seventy-five (75) cents for "station to station" toll telephone service between Reedley and General Grant National Park or Wilsonia. The record shows that there are not, at present, any subscribers being provided with exchange telephone service from either of the two exchanges which it is proposed to abandon and there appears no good reason why such exchange service should not be discontinued. The rates at present on file by the Park Company for toll telephone service between Dinuba and General Grant National Park provide for an initial rate of twenty-five (25) cents for a five minute initial period, "station to station" service. The present rate of the Reedley Company for toll telephone service between Reedley and Miramonte is twenty-five (25) cents for an initial period of five minutes. Furthermore, charges for through toll telephone service, that is, where the lines of The Pacific Telephone and Telegraph Company and the lines of either Reedley Company or Park Company are involved, are based upon air line distances between points, while the Reedley Company, in this proceeding, asks for an "other line" rate to General Grant National Park which contemplates the addition of the rates of the two connecting companies in computing the through charge. The air line distance from Reedley to Miramonte is twenty-four (24) miles, more or less, while the approximate air line distance from Miramonte to General Grant National Park is six (6) miles. Mr. A. Terkel, witness for Reedley Company at the hearing, suggested that the rate for toll service between Miramonte and General Grant National Park be based on approximately one-tenth (1/10) of the proposed rate between Reedley and the Park or be fixed at ten (10) cents. The establishment of rates proposed by the Reedley Company, without further investigation, would be in violation of Section 24 (b) of the Public Utilities Act of this State and cannot be considered in this proceeding. It is implied that the rates of the Park Company were too

low and resulted in the alleged failure of the Park Company to succeed as a business enterprise. The Reedley Company did not make any showing in this proceeding, tending to prove that the basis upon which its toll structure rests is incorrect or that the present rates charged by it for toll telephone service are unjust and unreasonable. In the absence of a showing by Reedley Company, tending to justify its proposed rate, we are of the opinion that rates for toll telephone service to and from General Grant National Park and Badger should be fixed on the same basis as other toll rates already filed by the Reedley Company and the order following will so provide.

The Park Company asked, at the hearing, that its application be amended to show its request for an order of the Railroad Commission, permitting it to abandon its public telephone utility operations and to cancel all its rates and tariffs for such service. No one offered any objection to the granting of the petition of the Park Company except some of that Company's creditors. Mr. Andrews, treasurer of the Park Company, testified that it was the Company's intention, if its request be granted, to use the proceeds from the sale of the Reedley Company's bonds, which it will receive as a result of the property transfer, to satisfy its obligations. In our opinion, the petition of the Park Company should be granted as made.

O R D E R

General Grant Park Telephone Company, having applied to the Railroad Commission for permission to abandon public utility operations and to sell a certain portion of its telephone properties to Reedley Telephone Company and Reedley Telephone Company having asked permission to acquire such properties and to file rates for service over such properties, a public hearing having been held

and the Railroad Commission being of the opinion that this application should be granted as herein provided

IT IS HEREBY ORDERED that General Grant Park Telephone Company be and it is hereby authorized to sell and transfer to the Reedley Telephone Company the telephone properties listed and referred to in this application and that Reedley Telephone Company be and it is hereby authorized to acquire said properties.

IT IS HEREBY FURTHER ORDERED that Reedley Telephone Company be and it is hereby authorized to furnish, on and after the date it acquires the telephone properties herein referred to, telephone service, as hereinafter set forth, in the area now served by General Grant Park Telephone Company and that General Grant Park Telephone Company be and it is hereby authorized to discontinue and abandon its public telephone utility operations, over its entire system, on and after the date it transfers the properties, to which reference is made herein, to Reedley Telephone Company and to cancel and withdraw, as of that date, all of its rates and tariffs for telephone service.

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

(1) The transfer of telephone properties herein referred to shall be made on or before October 1, 1927.

(2) The consideration for which the telephone properties are herein authorized to be transferred shall not be urged before this Commission or any other public body as a measure of value of such properties for rate fixing or any purpose other than this transfer.

(3) Reedley Telephone Company shall file with this Commission a certified copy of the deed or other instrument of transfer by virtue of which it acquires title to the properties it is authorized to purchase within thirty days after such deed or

instrument is executed.

IT IS HEREBY FURTHER ORDERED that Reedley Telephone Company, on the date it acquires the properties herein referred to, shall make the necessary physical connections at or near Miramonte, Fresno County, to provide for direct telephone service over its Reedley-Dunlap-Miramonte circuit to and from points in General Grant National Park and Badger, and, as of said date, shall establish and place in operation toll stations at Badger, General Grant National Park Headquarters and Wilsonia.

IT IS HEREBY FURTHER ORDERED that Reedley Telephone Company be and it is hereby authorized to discontinue, on and after the date it acquires the properties herein authorized to be transferred, the exchanges at Miramonte and Wilsonia, formerly operated by the General Grant Park Telephone Company, and to establish and place in operation, on and after said date, a toll station to be known as Camp Caines, at Sequoia Lake, Fresno County, and to publish, file and place in effect rates for service to and from such toll station similar to rates applicable to other points on the Reedley Telephone Company's toll system, provided that said exchanges are discontinued and said toll station is opened and placed in operation within thirty (30) days after the aforesaid date of acquisition of telephone properties.

IT IS HEREBY FURTHER ORDERED that Reedley Telephone Company shall charge and collect the rates for telephone and telegraph service set forth in Exhibit A, attached hereto, effective as of the date of transfer of the telephone properties herein authorized, and that Reedley Telephone Company shall file with the Railroad Commission said rates for telephone and

telegraph service within thirty (30) days of the date of said transfer.

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 June, 1927.

C. Deane

Leon White

Don R. R. R.
Commissioners.

EXHIBIT "A"
TOLL TELEPHONE RATES
AND
TELEGRAPH RATES.

TOLL SERVICE SCHEDULE NO. B-1.

GENERAL SERVICE.

Applicable to Station-to-Station, Person-to-Person, Appointment and Messenger interexchange telephone service between any two toll points of the Reedley Telephone Company.

BASE RATE:

Station-to-Station Day Service initial rates, applicable between any two of the following points:

<u>Between</u>	<u>and</u>	<u>General Grant National Park Headquarters.</u>	<u>Wilsonia.</u>
Reedley		\$.25	\$.25
Navalencia		.20	.20
Squaw Valley		.15	.20
Dunlap		.10	.10
Miramonte		.10	.10
Pinehurst		.10	.10
Camp Munroe		.10	.10
Gen'l Grant National Park Headquarters		-	.10
Wilsonia		.10	-

INITIAL PERIOD AND OVERTIME PERIOD.

<u>Where the Initial Rate is.</u>	<u>The Initial Period is</u>	<u>The Overtime Period is</u>
\$0.10	5 Minutes	3 Minutes
.15	5 "	2 "
.20	5 "	2 "
.25	5 "	1 "
.30	3 "	1 "

OVERTIME RATE.

<u>Where the Initial Rate is</u>	<u>The Overtime Rate is</u>
\$0.10	\$0.05
.15	.05
.20	.05
.25	.05
.30	.10

PERSON-TO-PERSON, APPOINTMENT AND
MESSENGER RATE AND
REPORT CHARGE.

Rate for Initial Period of 3 minutes or less.

Station-to-Station Day Service Rates	Corresponding Completed Person- to-Person Rate	Corresponding Completed Ap- pointment and Messenger Rate	Corresponding Report Charge
\$0.10	.15	.20	.05
.15	.20	.25	.10
.20	.25	.30	.10
.25	.30	.35	.10

Rate for Periods in Excess of the Initial 3
Minute Period.

Where the initial rate is	The overtime period is	The overtime rate is
\$0.15	1 minute	\$0.05
.20	1 "	.05
.25	1 "	.05
.30	1 "	.10
.35	1 "	.10

NIGHT RATES.

Station-to-Station Night Rates are the same as
Station-to-Station Day Rates.

THROUGH TOLL SERVICE.

Between Toll Points on the line of the Reedley
Telephone Company and Toll Points on the lines
of The Pacific Telephone and Telegraph Company.

The rates for any of the classes of Toll Service
specified herein between Toll Points on the line of the Reedley
Telephone Company and Toll Points on the lines of The Pacific
Telephone and Telegraph Company are the through rates quoted
by The Pacific Telephone and Telegraph Company on file with
the Railroad Commission of the State of California.

TELEGRAPH SERVICE SCHEDULE NO. C-1.

GENERAL SERVICE.

The Company will accept for transmission and delivery messages of the classes and at the rates specified in the following, subject to the conditions herein set forth, between any two points on the Company's system.

RATE.

<u>Service.</u>	<u>Rate.</u>
Telegrams	30¢ for the first 10 words or less and 2-1/2¢ for each additional word.
Day Letters	45¢ for the first 50 words or less and 9¢ for each additional 10 words.
Night Letters	50¢ for the first 50 words or less and 6¢ for each additional 10 words.

DESCRIPTION OF SERVICE.

Telegrams.

A full-rate expedited service.

Day Letters.

A deferred day service at rates lower than the standard telegram rates as follows: One and one-half times the standard Night Letter rate for the transmission of 50 words or less and one-fifth of the initial rate for each additional 10 words or less.

Night Letters.

Accepted up to 2:00 A.M. for delivery on the morning of the ensuing business day, at rates still lower than the standard night message rates, as follows: The standard telegram rate for 10 words shall be charged for the transmission of 50 words or less, and one-fifth of such standard day rate for 10 words shall be charged for each additional 10 words or less.

CONDITIONS:

Free delivery of messages will be made to addresses at Company exchanges when such free delivery may be made by telephone. When free delivery cannot be made by telephone, the Company does not undertake to make delivery, but will, without liability, at the sender's request, as his agent, and at his expense, endeavor to contract for him for delivery at a reasonable rate.

TELEGRAPH SERVICE SCHEDULE NO.C-1(Cont'd)

CONDITIONS:

(Cont'd)

Day Letters may be forwarded by the Company as a deferred service and the transmission and delivery of the same is, in all respects, subordinate to the priority of transmission and delivery of regular telegrams.

Day Letters will be received subject to the express understanding and agreement that the Company does not guarantee that a Day Letter shall be delivered on the day of its date absolutely and at all events; but that the Company's obligation in this respect is subject to the condition that there shall remain sufficient time for its transmission and delivery on the day of its date during regular office hours, subject to the priority of transmission of regular telegrams under the conditions named above.

Night Letters may, at the option of the Company, be mailed at destination to the addressees, and this Company shall be deemed to have discharged its obligation in such cases with respect to delivery by mailing such Night Letters at destination, postage prepaid.

All Day Letters and Night Letters shall be written in plain English on blanks which will be furnished by the Company. Except as to Telegrams, code language is not permissible.