

Decision No. 18606

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
UPPER LAKE FARMERS TELEPHONE ASSOCIA-
TION for permission to increase sub-
scribers' dues Three Dollars (\$3.00)
per annum.

Application No. 13501.

Mr. R. H. Polk, for Applicant.

BY THE COMMISSION:

O P I N I O N

Upper Lake Farmers Telephone Association, unincorporated, applicant in this proceeding, asks authority to increase its rate for telephone switching service by an amount equivalent to three (3) dollars per annum.

A public hearing was held in this matter before Examiner Geary in Upper Lake on June 1, 1927.

Applicant owns and operates a telephone switchboard located in the town of Upper Lake, Lake County, by means of which it provides switching service between local lines in Upper Lake and vicinity and between these local lines and toll and trunk telephone lines. Applicant also owns central office telephones and has part ownership in a trunk line connecting its Upper Lake switchboard with the facilities of the Lakeport and Blue Lakes Telephone Association in Lakeport, Lake County. All subscriber-facilities, including poles, wires and telephone instruments, are owned by subscribers.

Witnesses for applicant, at the hearing, presented general information concerning applicant's operations with respect to its revenue and expenses and the value of its telephone properties. This information purported to show that the revenue received by applicant was insufficient to meet its obligations and that it had been necessary to levy an assessment on its members in order to make possible a continuance of operations. It was stated that the original cost of the property was about \$400.00. Mr. F. M. Casal, Assistant Engineer of the Railroad Commission's staff, who had made an examination of applicant's records and an appraisal of its properties, testified at the hearing as to his findings and estimates. He estimated applicant's total revenue for the year period, May 1, 1926, to April 30, 1927, to be \$1081.00 and expenses for the same period to be \$1299.00. Mr. Casal estimated the historical reproduction cost, undepreciated, of applicant's property to be \$685.00 as of January 1, 1923. Applicant's witnesses indicated that no additions or betterments had been made to its plant since January 1, 1923, and that an appraisal as of that date might properly be used as a measure of the present value of applicant's system. A rate base of \$825.00, including an allowance for working cash and materials and supplies, is found reasonable for this proceeding.

Applicant's schedule of rates for telephone service includes a subscribers' rate of \$1.50 per quarter per connected telephone station and a charge of 10¢ per message for service to non-subscribers at applicant's central office pay station. It is proposed to increase the subscribers' rate to \$2.25 per quarter per station. Applicant has no toll revenue accruing

from the use of its own line by its subscribers as the line is used by subscribers without additional charge. The only other source of applicant's revenue is the commission paid to it by the connecting toll company in consideration of switching the lines of the latter, and which was \$338.00 of the total revenue of \$1081.00 above shown.

Applicant has paid no taxes in the past, although it appears that this is an obligation which it may have to meet in the future and, making allowances for taxes and uncollectible accounts, its income statement for the period May 1, 1927, to April 30, 1928, is estimated as follows:

REVENUE:

Subscribers stations	\$1089.00	
Local messages	20.00	
Toll commissions	<u>340.00</u>	
Total		\$1449.00

EXPENSES:

Operating expenses	\$1300.00	
Taxes	80.00	
Uncollectibles	<u>7.00</u>	
Total		<u>\$1387.00</u>
Net for return		\$ 62.00

No objection to an increase in rates for telephone service was raised at the hearing in this matter and it is our opinion that the petition in this proceeding is reasonable and should be granted as made.

Applicant has not heretofore filed a map showing the territory in which it renders exchange telephone service. This should be made a matter of record and the order following will provide for the filing with this Commission of a map of the territory served, based on the description of the service area read

into the record at the hearing by Mr. Casal.

O R D E R

Upper Lake Farmers Telephone Association having petitioned the Railroad Commission for authority to increase its rate for telephone switching service, a public hearing having been held, and the matter having been submitted and ready for decision;

The Railroad Commission hereby finds as a fact that the switching rate at present in effect by Upper Lake Farmers Telephone Association is inadequate, unjust and unreasonable, and that the rate for this service contained in this order for the conditions of operation of this utility is just and reasonable.

Basing its Order on the foregoing finding of fact and other findings and statements of fact contained in the Opinion which precedes this Order:

IT IS HEREBY ORDERED that Upper Lake Farmers Telephone Association shall:

(1) Charge and collect the rates for exchange telephone service set forth in Exhibit "A," attached hereto, for service rendered on and after October 1, 1927.

(2) File with the Railroad Commission on or before September 1, 1927, the rates set forth in Exhibit "A," attached hereto.

(3) File with the Railroad Commission on or before

September 1, 1927, a map showing its service area as shown on Exhibit "B," 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 11th day of July, 1927.

Ernest C. ...

H. B. ...

Al ...

Thos ...

EXHIBIT "A"

EXCHANGE RATES

EXCHANGE SERVICE SCHEDULE NO. A-1.- UPPER LAKE.

SWITCHING SERVICE:

Applicable to switching service rendered by facilities at Upper Lake to subscribers' stations located within the territory served.

RATE:

Rate per quarter per station
Business or residence service.

Switching service \$2.25

CONDITIONS:

(1) The Upper Lake Farmers Telephone Association installs, owns and maintains at its expense the necessary central office equipment and service and line facilities from the switchboard to the office pole.

(2) The subscriber installs, owns and maintains at his expense the necessary facilities from the Association's line at the office pole to the subscriber's instrument, also the complete instrument and battery.

(3) Quarterly bills for exchange switching service are due and payable, in advance, on the first day of January, April, July and October of each year.

(4) Service to Lakeport over jointly owned trunk line is furnished for no additional charge to subscribers paying the above rate.

EXCHANGE SERVICE SCHEDULE NO. A-2. UPPER LAKE

PUBLIC PAY STATION SERVICE:

Service from Association's public telephone stations:

RATE:

Each local message, including messages to Lakeport
over trunk line owned jointly by the Association \$0.10

CONDITIONS:

Public telephones will be installed by the Association, at its discretion, in public locations, to meet the general and transient telephone requirements.

EXHIBIT "B"

MAP OF TERRITORY SERVED

CALIFORNIA RAILROAD COMMISSION

MAP SHOWING
EXCHANGE AREA BOUNDARY

OF

UPPER LAKE FARMERS TELEPHONE ASSOCIATION

