

ORIGINAL

Decision No. 10107.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of Home Telephone Company of Covina, a corporation, for an order authorizing it to purchase the Follows Toll Line, and authorizing the Follows Toll Line to retire from the telephone business, authorizing the Home Telephone Company of Covina to enter and render telephone service in the territory involved, and establishing rates therefor.

Application No. 13951.

Loyd Wright and C. B. Shaw, for applicant.

Loyd Wright for Follows Toll Line.

Roy W. Dowd, for County of Los Angeles Flood Control District, interested party.

George H. Cecil, for United States Forestry Service, interested party.

Marguerite Holdzkom, for Los Angeles Tuberculosis Association, interested party.

BY THE COMMISSION:

O P I N I O N

Home Telephone Company of Covina, hereinafter called the Covina Company, makes application to the Railroad Commission for authority to purchase from Jennie H. Follows the toll line in San Gabriel Canyon operated under the fictitious name and title "Follows Toll Line." Jennie H. Follows, sole owner of that line, petitions the Commission for authority to sell the Follows Toll Line to the Home Telephone Company of Covina. The Home Telephone Company of Covina makes further

application for authority to place certain toll rates in effect in the territory now served by Follows Toll Line.

The Follows Toll Line has for many years rendered service in San Gabriel Canyon and was originally built to give service between several recreation camps, and not as a public utility. This Commission in Decision No. 1895 of October 21, 1914, after hearing in Case No. 678, Cold Brook Camp vs. R. C. Pollard, held that the line was a public utility and fixed a rate of \$50.00 per year for service on it. A rehearing on that case was denied in this Commission's Decision No. 1922 of November 6, 1914. The matter went to the California Supreme Court and the Commission was upheld (California Reports, Vol. 172, Page 561, Camp Rincon vs. Eshleman).

A public hearing was held in this matter at Covina, before Examiner Williams, on September 27, 1927.

Witness for the Covina Company stated that applicant had agreed to pay Jennie H. Follows \$500.00 for the Follows Toll Line, and that if the purchase were authorized the line would be consolidated with present property as part of the system of the Home Telephone Company of Covina. Applicant offered testimony to the effect that the present single circuit of the Follows Toll Line would be replaced with at least two new circuits built in San Gabriel Canyon, and that the purchase price for the Follows Toll Line was for good will and right of way, rather than for the physical property.

No objection was offered to the purchase of the Follows Toll Line by the Covina Company, but on the other hand interested parties expressed the belief that better service

would be available. It appears that the public will be better served by the transfer of this property to the Covina Company and the order following will so provide.

Applicant submitted a schedule of rates which it desires to make effective for toll service in San Gabriel Canyon, and which is similar to those generally in effect in the State of California, with the statement that no station on the present line is over twelve miles distant from Covina, that all stations on the line are within twelve miles of each other, and that the maximum station-to-station rate between any two stations on the line, or between any station and Covina, would be ten (10) cents.

The rates proposed by applicant in this proceeding will result in the elimination of the present \$50.00 per year charge for each station, but will not change the present rate of ten (10) cents per message to Covina, from existing stations. The proposed rates, however, will provide for a charge of ten (10) cents on station-to-station messages between stations in the San Gabriel Canyon area, which heretofore has not been in effect. The proposed rates on station-to-station calls to points beyond Covina will result in a lesser charge in many cases, as the proposed rates provide a "through" rate between San Gabriel Canyon stations and points beyond Covina, and on such calls the ten (10) cent rate to Covina will not apply.

The rates proposed by the Company should be made effective as requested as they will result in lower charges to the public

than have resulted under the rates which they will supersede.

The Company should set up in its files each month records showing its investment in its San Gabriel Canyon lines with revenues and expenses appertaining thereto. Traffic records of all originating and terminating messages should be kept so that data available for a determination of the reasonableness of the rates ordered herein can be made.

A provision of the proposed rates requires a guarantee of 50 toll messages per month from each toll station on the San Gabriel Canyon lines and amounts to a minimum money guarantee of \$5.00 per month from each station. Such a provision would, in some cases, result in a guarantee of more than \$5.00 per station per month when messages at a charge greater than ten (10) cents are involved. This request for a guarantee of 50 messages per month per station will be granted, with the provision that records of traffic be maintained as stated above.

Applicant placed in evidence an exhibit showing a detailed estimate of its cost for providing adequate toll line facilities in San Gabriel Canyon. The estimate amounted to \$15,691.24 for the placing of five circuits, three of which are for the sole use of the County of Los Angeles Flood Control District in the building of the \$25,000,000 San Gabriel River dam. Applicant estimated that these three circuits would meet

the needs of the Flood Control District during the five to seven-year period during which the dam will be under construction, and during which time it is estimated that there will be from 2,000 to 3,000 persons located at the dam site. Two of the circuits covered in the estimate are for service to present subscribers on the Follows Toll Line. Applicant's testimony was purported to show that this estimate was for the routing of all the proposed new San Gabriel Canyon lines along the Flood Control District's railroad right-of-way up to the dam site in order to meet certain special needs of the Flood Control District. It was pointed out that adequate facilities could be placed for less than the amount estimated if it were not necessary to meet this special need of the Flood Control District.

O R D E R

Home Telephone Company of Covina having applied to the Railroad Commission for authority to purchase the Follows Toll Line; Mrs. Jennie H. Follows, sole owner of that line, having petitioned the Commission for authority to sell; the Home Telephone Company of Covina having applied for authority to place in effect certain toll charges in the territory of the San Gabriel Canyon now served by the Follows Toll Line, a public hearing having been held, the matter having been duly submitted and now being ready for decision,

The Railroad Commission of the State of California hereby finds as a fact that public convenience and necessity require the Covina Company to purchase the Follows Toll Line and consolidate the same with its present property. It is further found as a fact that the toll rates as applied for by

the Home Telephone Company of Covina should be authorized and made effective.

Basing its order on the foregoing findings of fact and on such other findings of fact as are set forth in the opinion preceding this order,

IT IS HEREBY ORDERED that Home Telephone Company of Covina be and it is hereby authorized to purchase, and Mrs. Jennie H. Follows be and she is authorized to sell and transfer to Home Telephone Company of Covina on or before February first, 1928, the San Gabriel Canyon toll line properties known under the fictitious name of Follows Toll Line, provided:

(1) Home Telephone Company of Covina shall file a certified copy of deed or other instrument of transfer, by which it secures title to the Follows Toll Line, with the Railroad Commission within thirty (30) days after the date on which the same is executed.

(2) The consideration herein named, at which these public utility properties are to be transferred, shall not be considered as a measure of value of said properties for any purpose other than the transfer herein authorized.

IT IS HEREBY FURTHER ORDERED that Follows Toll Line be and it is hereby authorized to discontinue the furnishing of telephone service in the territory now served by it, on and after the date it transfers its operative telephone properties, referred to herein, to Home Telephone Company of Covina and to withdraw, as of that date, its rates and tariffs for service.

IT IS HEREBY FURTHER ORDERED that Home Telephone Company of Covina, after proper showing before the Railroad Commission that it has constructed and made ready for service

at least two new toll lines from Covina into San Gabriel Canyon to replace the present Follows Toll Line and upon supplemental order from the Railroad Commission, may file and make effective the rates for toll service as set forth in Exhibit "A" attached hereto.

IT IS HEREBY FURTHER ORDERED that Home Telephone Company of Covina shall complete and have ready for service not less than two new toll lines from Covina into San Gabriel Canyon to the proposed dam site near the junction of the east and west branches of the San Gabriel River on or before April 1, 1928.

IT IS HEREBY FURTHER ORDERED that following the making effective of the rates set forth in Exhibit "A" hereto attached, the Home Telephone Company of Covina shall set up in its files each month for a two year period records showing its investment in its San Gabriel Canyon lines with revenues and expenses appertaining thereto and shall keep traffic records of all originating and terminating messages from and to each station on such lines.

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 8th day of December, 1927.

[Signature]
[Signature]

[Signature]

[Signature]
 Commissioners.

EXHIBIT "A"

TOLL RATES

TOLL SERVICE SCHEDULE NO. B-1

GENERAL SERVICE:

Applicable to station-to-station, person-to-person and appointment and messenger toll service charges between any two toll stations or exchanges:

RATE:

(1) Station-to-station service:

(a) The following initial period rates are applicable to station-to-station toll messages where the distance between exchanges or toll points does not exceed twenty-four miles by direct air-line measurement:

<u>For distance more than</u>	<u>But not more than</u>	<u>Initial rate</u>
0 miles	12 miles	\$0.10
12 miles	18 miles	.15
18 miles	24 miles	.20

(b) Initial period and Overtime period:

<u>Where initial rate is</u>	<u>Initial period is</u>	<u>Overtime period is</u>
\$0.10	5 minutes	3 minutes
.15	5 minutes	2 minutes
.20	5 minutes	2 minutes

(c) Overtime rate:

Where initial rate is \$0.10 the overtime rate is \$0.05.
 Where initial rate is \$0.15 the overtime rate is \$0.05.
 Where initial rate is \$0.20 the overtime rate is \$0.05.

(2) Person-to-person, appointment and messenger rate and report charge:

Rate for initial period of three minutes or less:

<u>Station-to-station rate</u>	<u>Corresponding completed person-to-person rate</u>	<u>Corresponding completed appointment & messenger rate</u>	<u>Corresponding report charge</u>
\$0.10	\$0.15	\$0.20	\$0.05
.15	.20	.25	.10
.20	.25	.30	.10

Rates for periods in excess of the initial three-minute period:

<u>Where the initial rate is</u>	<u>The overtime period is</u>	<u>The overtime rate is</u>
\$0.15	1 minute	\$0.05
.20	1 minute	.05
.25	1 minute	.05
.30	1 minute	.10

(3) Night rates - station-to-station night rates are the same as the station-to-station day rates.

(4) Rates to points on other companies' lines: Rates for any of the classes of toll service specified herein between toll points on the line of the Home Telephone Company of Covina and toll points on the lines of the United States Long Distance Telephone and Telegraph Company and The Pacific Telephone and Telegraph Company and connecting companies are the through rates quoted by the United States Long Distance Telephone and Telegraph Company and The Pacific Telephone and Telegraph Company.

(5) Minimum requirement per toll station for service under rates (1), (2), (3) and/or (4) above will be a guarantee of fifty (50) toll messages per month.

When the number of toll messages originated from any toll station in a monthly billing period is less than 50, the total toll charges against the station will be the toll charges actually accrued plus an amount obtained by computing the charges at 10¢ each on a number of messages equal to the difference between the number of originated messages and the minimum requirement.