

ORIGINAL

Decision No. 19122.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Investigation
on the Commission's own motion re-
lative to the rates, rules, regula-
tions and practices of KERN MUTUAL
TELEPHONE COMPANY.

Case 2324.

In the Matter of the Investigation
on the Commission's own motion into
the propriety of certain rates, rules,
and regulations of the KERN MUTUAL
TELEPHONE COMPANY as provided in cer-
tain tariffs designated as "C.R.C.
Sheets Nos. 57-T, 58-T, 59-T, 60-T,
61-T, 62-T, 63-T, 64-T, 65-T."

Case 2353.

- Philip Conley, for Kern Mutual Telephone Company.
- Mrs. J. W. DeLong, for Ford City Community Wel-
fare Club.
- Perry B. Stickles, in propria persona.
- C. A. Williams, and Coker F. Rathbone, for City
of Taft.
- Ernest Irwin, for California Independent Telephone
Association.
- Hubert C. Ferry, for Union Oil Company of California.
- George M. Cook, for Exchange Club of Taft.
- T. L. O'Neil, for Pan-American Petroleum Company.
- Edwin Higgins, for Chamber of Mines and Oil.
- F. T. Elder, for McFadden & Sill.
- Ernest Smith, for Chanslor-Canfield Midway Oil.
Company.
- J. V. Stevens, for Associated Oil Company.
- E. P. Avery, for Shell Oil Company.

LOTTIT, COMMISSIONER:

O P I N I O N

In the above proceeding, designated Case No. 2324, the Railroad Commission on its own motion instituted an investigation into the operations of the Kern Mutual Telephone Company. Subsequently, defendant submitted for filing certain rate schedules

which were suspended by the Commission by the institution of its Case No. 2353. The above numbered cases were then consolidated for hearing and decision.

Public hearings were held in Taft in Case No. 2324 on March 22, 1927, and in Cases Nos. 2324 and 2353, consolidated, on May 24th and 25th, and on September 1st and 2nd, and in San Francisco on September 14th and 16th, 1927.

Kern Mutual Telephone Company, incorporated May 2nd, 1908, has issued 25,000 shares of capital stock of a par value of \$1. per share. All records show that other than the \$25,000. so obtained, additions to the fixed capital of the utility have been financed out of depreciation reserve and surplus or have been donated by its subscribers, in addition to which unusually large dividends for thirteen (13) years last past, have been paid to stockholders of the corporation.

Kern Mutual Telephone Company serves the communities of Taft, Maricopa and Fellows as one exchange area and McKittrick and vicinity as a second exchange area. Toll interexchange service is furnished between its McKittrick and Taft exchanges and between these exchanges and Bakersfield, at which point connection is made with the lines of The Pacific Telephone and Telegraph Company.

The schedule of present rates, effective in this utility's territory, appears to be grossly out of line with rates for similar service under similar conditions, effective in other exchanges within the state, and for the thirteen years' period above mentioned has returned to the operating company more than a reasonable return upon the fair value of its operative properties. As of January 1, 1927, Kern Mutual Telephone Company was furnishing service to a total of 1,762 stations.

Kern Mutual Telephone Company prepared a detailed inventory of its property as of January 1, 1927. This inventory, without appraisal, was submitted to the Commission's Engineering Department, on April 22, 1927. Prior to this time, engineers of this Commission had checked a considerable portion of the field notes as a test for accuracy in recording and had found a satisfactory performance. The inventory items as submitted by the Company were not segregated in accordance with the system of accounts for telephone companies, prescribed by the Interstate Commerce Commission and adopted by this Commission. Accordingly, the items of plant were segregated from the field notes into a new summary by engineers of the Commission working in conjunction with a representative of the Company:

An appraisal of this inventory on an historical cost basis was made by E. M. Blakeslee of the Commission's engineering staff. The total of this appraisal including materials and supplies was \$244,975.

The Company submitted an appraisal based on substantially the same inventory units and purporting to be on the historical cost basis, amounting to \$391,960.

Various oil companies appearing in this proceeding, through the representation of Mr. Hubert C. Ferry of Union Oil Company, presented an exhibit, relating to the cost of constructing telephone lines in the territory served by Kern Mutual Telephone Company. This exhibit and the testimony in support thereof together with other corroborating testimony indicate that the appraisal made by the Commission's engineer is not too low. An estimate of the cost of constructing a line extension, known to have been built in 1926, was made by the Commission's engineer, using the general method employed in appraising the inventory of the Company's property. The estimated cost of this extension

showed but slight variations from the actual experience of the Company as evidenced by the bill, rendered by the Company to the subscriber, covering the cost of this line extension.

The investment in the properties used by the Company in the performance of its public utility service according to the books of the Company, was \$256,293. as of December 31, 1926.

After a full and thorough consideration of all the evidence submitted, I am of the opinion that a reasonable rate base for the period January 1, 1927, to December 31, 1927, and for a reasonable period immediately following, for use in these proceedings should be found as follows:

Estimated Historical Reproduction Cost, as of January 1, 1927, less materials and supplies,	\$242,615.00
Estimated Net Additions and Betterments January 1, 1927, to June 30, 1927,	7,193.00
Estimated Net Additions in Progress of Construction,	30,359.00
Allowable Materials and Supplies and Working Cash Capital,	<u>10,600.00</u>
TOTAL,	\$290,767.00

The Company, through its officers and witnesses, requested that it be allowed a return on its properties of not less than twelve (12) per cent by reason of uncertainty and instability of the oil business, and the consequent risk assumed by the Company for the continuance of its business in the future. The utility's exchanges are in territory extensively developed by the oil business but other than this industry there is little enterprise except merchandising and other small businesses necessary in the support of a community. Evidence of record and especially that of Mr. T. Miles, petroleum engineer, indicates that the production of oil in this territory is expected to continue

for many years in the future without any great or material reduction in the quantity of production.

Although the rates found reasonable herein will produce to the Company approximately thirty (30) per cent less revenue than the rates now effective, we are convinced that they will produce to the Company a reasonable return on the rate base herein established.

The Commission's engineers estimate that the total revenues from all operations of the Company for the year 1927, under the schedules of rates established in the Order herein, would be \$108,632. Reasonable expenses estimated for the same period amount to \$85,302., leaving a net for return of \$23,330. The Order herein will authorize schedules of rates for exchange telephone, toll and telegraph service, establish exchange and primary rate area boundaries and authorize rules and regulations to govern the furnishing of service.

The following form of Order is recommended:

O R D E R

The Railroad Commission of the State of California having instituted investigations of the operations of the Kern Mutual Telephone Company as to its rates, rules and regulations and practices, public hearings having been held, briefs having been filed, these matters having been submitted and being now

ready for decision,

The Railroad Commission of the State of California hereby finds as a fact that the rates for service now charged by Kern Mutual Telephone Company and the rules and regulations governing its service are unjust and unreasonable in so far as they differ from the rates, rules and regulations hereinafter set forth in exhibits "A", "B" and "D".

Basing its Order on the foregoing finding of fact and on such other findings of fact as are set forth in the Opinion preceding this Order,

IT IS HEREBY ORDERED that Kern Mutual Telephone Company, on and after February 1, 1928, shall:

(1) Charge and collect for exchange telephone service the rates and charges as shown in Exhibit "A" attached hereto and made a part of this Order.

(2) Charge and collect for toll telephone service and telegraph service the rates and charges shown in Exhibit "B" attached hereto and made a part of this Order.

(3) Establish boundaries of the territory served in its Taft and McKittrick exchanges, and primary rate areas for the communities of Taft, Maricopa, Fellows and McKittrick, as shown on maps contained in Exhibit "C" attached hereto and made a part of this Order.

(4) Establish rules and regulations governing the furnishing of service as shown in Exhibit "D" attached hereto and made a part of this Order.

(5) Cancel all schedules of rates for service and rules and regulations governing the furnishing of service not included in Exhibits "A", "B" and "D" attached hereto.

IT IS HEREBY FURTHER ORDERED that Kern Mutual Telephone Company on or before January 5, 1928, in accordance with the manner and form prescribed by General Order No. 68, shall

(a) File schedules of rates as shown in Exhibits "A" and "B" attached hereto.

(b) File maps showing territory served in its Taft and McKittrick exchanges and primary rate areas for the communities of Taft, Maricopa, Fellows and McKittrick as shown on maps contained in Exhibit "C" attached hereto.

(c) File rules and regulations governing the furnishing of service, as contained in Exhibit "D" attached hereto.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

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 15 day of December, 1927.

Samuel L. ...
Ed ...
Leon ...
W. J. ...
Commissioners.

EXHIBIT "A"

EXCHANGE SERVICE RATES

EXCHANGE SERVICE - SCHEDULE NO. A-1-a

TAFT EXCHANGE

GENERAL SERVICE:

Applicable to individual and party line business and residence flat rate service within the primary rate areas of the Taft Exchange.

RATE:

<u>Grade of Service</u>	<u>Rate Per Station Per Month</u>			
	<u>Business Service</u>		<u>Residence Service</u>	
	<u>Wall Set</u>	<u>Desk Set</u>	<u>Wall Set</u>	<u>Desk Set</u>
Each Individual Line Station	\$5.25	\$5.50	\$3.75	\$4.00
Each Two-Party Line Station	4.25	4.50	3.00	3.25
Each Four-Party Line Station	3.75	4.00	2.50	2.75
Each Extension Station (with or without bell)	.75	1.00	.75	1.00

CONDITIONS:

Individual, two-party, and four-party line service will be provided outside the primary rate areas but within the Exchange area at the above rates plus the following charges:

<u>Primary Service</u>	<u>Per Month</u>
Each Individual Line Primary Station	\$1.00
Each Two-Party Line Primary Station	.75
Each Four-Party Line Primary Station	.50

Extension stations at the above rates will be installed on the premises on which the primary station is located. For the charges for stations not so located see Schedule No. A-2.

EXCHANGE SERVICE - SCHEDULE NO. A-1-b

McKITTRICK EXCHANGE

GENERAL SERVICE:

Applicable to individual and party line business and residence flat rate service within the primary rate area of the McKittrick Exchange.

RATE:

<u>Grade of Service</u>	<u>Rate Per Station Per Month</u>			
	<u>Business Service</u>		<u>Residence Service</u>	
	<u>Wall Set</u>	<u>Desk Set</u>	<u>Wall Set</u>	<u>Desk Set</u>
Each Individual Line Station	\$4.50	\$4.75	\$3.25	\$3.50
Each Two-Party Line Station	3.75	4.00	2.50	2.75
Each Four-Party Line Station	3.25	3.50	2.00	2.25
Each Extension Station (with or without bell)	.75	1.00	.75	1.00

CONDITIONS:

Individual, two-party, and four-party line service will be provided outside the primary rate area but within the Exchange area at the above rates plus the following charges:

<u>Primary Service</u>	<u>Per Month</u>
Each Individual Line Primary Station	\$1.00
Each Two-Party Line Primary Station	.75
Each Four-Party Line Primary Station	.50

Extension stations at the above rates will be installed on the premises in which the primary station is located. For the charges for stations not so located see Schedule No. A-2.

EXCHANGE SERVICE-SCHEDULE NO. A-2

OUTSIDE EXTENSION STATION RATE:

Applicable to extension stations not located on the premises in which the primary station is installed, throughout the territory served.

RATE:

	<u>Rate Per Station Per Month</u>	
	<u>Business and Residence Service</u>	
	<u>Wall Set</u>	<u>Desk Set</u>
Each Extension Station (with or without bell)	\$1.25	\$1.50

CONDITIONS:

Extension stations for business or residence service will be installed outside the premises in which the primary station is located, provided they are for use by the subscriber, are located on the subscriber's premises and are within satisfactory transmission limits.

EXCHANGE SERVICE - SCHEDULE NO. A-3-a

COMMERCIAL PRIVATE BRANCH EXCHANGE -
FLAT RATE SERVICE:

TAFT EXCHANGE

Applicable to commercial private branch exchange flat rate service furnished within the primary rate areas of the Taft Exchange.

RATE:

<u>Service</u>	<u>Rate Per Month</u>
Each Switchboard position including operator's set	\$5.00
Each Battery Supply Circuit	3.00
Each Ringing Power Supply Circuit	3.00
First Both Way Trunk Line	7.50
Each Additional Both Way Trunk Line	6.00
Each Station, primary or extension, wall set	.75
Each Station, primary or extension, desk set	1.00

CONDITIONS:

(1) Private Branch Exchange service will be provided outside the primary rate areas but within the exchange area at the above rates plus a charge of \$1.00 per month for each trunk line, battery supply circuit and power supply circuit.

(2) Each private branch exchange system will consist of at least one switchboard position, two (2) trunk lines and four (4) stations, exclusive of the switchboard telephone.

(3) Stations provided at the above rates are installed on the premises on which the private branch exchange switchboard is located. Stations will be installed off the premises on which the switchboard is located, at the above rates plus mileage as provided in Schedule No. A-5, provided they are installed on premises of the subscriber, are for his use and are within satisfactory transmission limits.

EXCHANGE SERVICE - SCHEDULE NO. A-3-B

COMMERCIAL PRIVATE BRANCH EXCHANGE -
FLAT RATE SERVICE:

TAFT EXCHANGE

Applicable to commercial private branch exchange flat rate service in connection with subscriber owned and maintained switchboard located within the primary rate areas of the Taft Exchange.

RATE:

<u>Service</u>	<u>Rate Per Month</u>
Each Battery Supply Circuit,	\$3.00
Each Ringing Supply Circuit,	3.00
First Both Way Trunk Line,	7.50
Each Additional Both Way Trunk Line,	6.00
 <u>Station Charge</u>	
Each Subscriber Owned Service Station,	\$0.25

CONDITIONS:

(1) Trunk lines, battery supply circuit and ringing supply circuit will be furnished to subscriber owned switchboards located outside the primary rate areas but within the exchange area, at the above rates plus a charge of \$1.00 per month for each circuit furnished.

(2) Service stations connected to subscriber owned and maintained private branch exchange systems are installed on the subscriber's premises and are for the use of the subscriber.

EXCHANGE SERVICE - SCHEDULE NO. A-3-C

COMMERCIAL PRIVATE BRANCH EXCHANGE -
FLAT RATE SERVICE:

McKITTRICK EXCHANGE

Applicable to commercial private branch exchange flat rate service furnished within the primary rate area of the McKittrick Exchange.

RATE:

<u>Service</u>	<u>Rate Per Month</u>
Each Switchboard Position including Operator's Set,	\$5.00
Each Battery Supply Circuit,	3.00
Each Ringing Power Supply Circuit,	3.00
First Both Way Trunk Line,	6.75
Each Additional Both Way Trunk Line,	5.25
Each Station, Primary or Extension, Wall Set,	.75
Each Station, Primary or Extension, Desk Set,	1.00

CONDITIONS:

(1) Private branch Exchange service will be provided outside the primary rate area but within the exchange area at the above rates plus a charge of \$1.00 per month for each trunk line, battery supply circuit, and power supply circuit.

(2) Each private branch Exchange system will consist of at least one switchboard position, two (2) trunk lines and four (4) stations, exclusive of the switchboard telephone.

(3) Stations provided at the above rates are installed on the premises on which the private branch Exchange switchboard is located. Stations will be installed off the premises on which the switchboard is located, at the above rates plus mileage as provided in Schedule No. A-5, provided they are installed on premises of the subscriber, are for his use and are within satisfactory transmission limits.

EXCHANGE SERVICE - SCHEDULE NO.A-3-d

COMMERCIAL PRIVATE BRANCH EXCHANGE -
FLAT RATE SERVICE:

McKITTRICK EXCHANGE

Applicable to private branch exchange flat rate service in connection with subscriber owned and subscriber maintained switchboard located within the primary rate area of the McKittrick Exchange.

RATE:

<u>Service</u>	<u>Rate Per Month</u>
Each Battery Supply Circuit	\$3.00
Each Ringing Supply Circuit	3.00
First Both Way Trunk Line	6.75
Each Additional Both Way Trunk Line	5.25
<u>Station Charge</u>	
Each Subscriber Owned Service Station	\$0.25

CONDITIONS:

(1) Trunk lines, battery supply circuit and ringing power circuit will be furnished to subscriber owned switchboards located outside the primary rate area but within the exchange area, at the above rates plus a charge of \$1.00 per month for each circuit furnished.

(2) Service stations connected with subscriber owned and maintained private branch exchange systems are installed on the subscriber's premises and are for the use of the subscriber.

EXCHANGE SERVICE - SCHEDULE NO. A - 4-a

HOTEL PRIVATE BRANCH FLAT RATE SERVICE:

TAFT EXCHANGE

Applicable to Hotel Private Branch Exchange Flat Rate Service furnished within the several primary rate areas of the Taft Exchange.

RATE:

<u>Service</u>	<u>Rate Per Month</u>
Switchboard, including operator's set, battery supply circuit, ringing power circuit and not to exceed 15 station terminals, each position,	\$5.00
Each additional group of 5 terminals or less,	.20
First both-way trunk line,	6.50
Each additional both-way trunk line,	5.50

Stations

1 to 10, wall sets in guest room, per station	\$.50
11 to 20 " " " " " "	.45
21 to 35 " " " " " "	.40
36 to 50 " " " " " "	.35
51 and over " " " " " "	.25
Desk sets, 25 cents per month additional.	
Each wall set not in guest room,	.75
" desk " " " " "	1.00

CONDITIONS:

(1) Each hotel private branch exchange system will consist of at least one (1) switchboard position, two (2) trunk lines and ten (10) stations, exclusive of the switchboard telephone.

(2) Stations, not in guest rooms, provided at the above rates are installed on the premises on which the switchboard is located. Stations will be installed off the premises where the hotel private branch exchange is located, within the exchange area, at the above rates plus mileage as provided in Exchange Service Schedule No. A-5, provided they are for use of the subscriber, are located on the subscribers premises and are within satisfactory transmission limits.

EXCHANGE SERVICE - SCHEDULE NO. A - 4-b

HOTEL PRIVATE BRANCH FLAT RATE SERVICE:

TAFT EXCHANGE

Applicable to hotel private branch exchange flat rate service in connection with subscriber owned and maintained switchboard located within the primary rate areas of the Taft Exchange.

RATE:

<u>Service</u>	<u>Rate Per Month</u>
First both-way trunk line,	\$6.50
Each additional both-way trunk line,	5.50
<u>Station Charge</u>	
Each subscriber owned service station,	\$0.25

CONDITIONS:

Service stations connected to subscriber owned and maintained private branch exchange systems not located in guest rooms are installed on the subscriber's premises and are for the use of the subscriber.

EXCHANGE SERVICE - SCHEDULE NO. A - 5

MILEAGE CHARGES:

Applicable to private branch exchange stations installed off the premises on which the switchboard is located, throughout the territory served.

RATE:

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

Each station, primary or
extension,

\$.76

The above rate is based on air line mileage as measured between the station and the premise on which the private branch exchange switchboard is located. The above rate is in addition to other charges for the service.

EXCHANGE SERVICE - SCHEDULE NO. A-6

SEMI-PUBLIC COIN BOX SERVICE

TAFT EXCHANGE

Applicable to Semi-Public Coin Box Service furnished within the primary rate areas of the Taft Exchange.

RATE:

- (a) Individual Line Wall Set:
Each Exchange Message 5 cents
Minimum Charge 20 cents per day
- (b) Individual Line Desk Set:
The above rate plus 25 cents per month.
- (c) Extension Stations:
Each extension station, wall set, without coin box \$0.75 per month
Each extension station, desk set, without coin box \$1.00 per month

CONDITIONS:

- (1) Semi-Public Coin Box Service will be furnished in semi-public locations.
- (2) The charge resulting from the application of the desk set rate (b) or the extension rate (c) does not apply against the minimum charge in rate (a).

EXCHANGE SERVICE - SCHEDULE NO. A-7

PUBLIC PAY STATION SERVICE.

Service from Company's non-listed public telephone stations.

RATE:

Each exchange message \$0.05

CONDITIONS:

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

EXCHANGE SERVICE - SCHEDULE NO. 1-8

PRIVATE LINE SERVICE.

Applicable to private lines provided within the territory served.

<u>RATE.</u>	<u>Rate Per Month</u>
Each one-quarter mile or fraction thereof, airline mileage	\$0.75
<u>Each telephone and battery:</u>	
Wall Set	.75
Desk Set	1.00
<u>Minimum Charge:</u>	
monthly minimum charge	3.50

CONDITIONS:

(1) Private lines are provided within the territory served, solely for communication between stations thereon, and are not permitted to be connected to exchange service lines.

(2) The above rates include installation and battery renewals.

EXCHANGE SERVICE - SCHEDULE NO. A-9

JOINT USER SERVICE.

Applicable to Joint User Service furnished within the Exchange Area of all exchanges.

RATE:

	<u>Rate Per Month</u>
Individual or Party-Line Business Flat Rate Service	\$1.50
Business Commercial Flat Rate Private Branch Exchange Service	1.50
Business Hotel Flat Rate Private Branch Exchange Service	1.50

CONDITIONS:

(1) The applicability of joint user service is determined by the obvious or actual use made of the service.

(2) The rate for joint user service includes a listing in the telephone directory and applies in addition to the rates and charges for the facilities and all other service provided. Joint user service is applicable and is furnished upon applications made by the subscriber as follows:

(a) Applications for the use of the subscriber's service by any individual, firm, company or association occupying jointly or in part the premises on which the private branch exchange switchboard or receiving station is located. The subscriber's facilities or service are not to be extended off the premises to provide joint user service.

(b) Applications for the use of the subscriber's service for another business conducted by the subscriber and differing in character and subject to a different classification from that for which the facilities are provided.

(3) In the case of individuals, firms, companies and associations engaged in the same business or profession, utilizing a common reception room with offices opening thereon or adjoining thereto, one of the number may become the subscriber and the remainder joint users. If the individuals or members of a firm, company or association file a joint income tax return, that will be accepted as sufficient evidence of a single business, and joint user service is not applicable. Whenever any individual member of a firm, company or association does not substantially participate in the earnings of his fellow members of such firm, company or association, then that fact shall be conclusive evidence that he is a joint user and the joint user rate is applicable.

(4) The minimum charge for joint user service shall be the monthly rate, provided that if the service is listed in the telephone directory, it shall be paid for until the end of the directory period unless the joint user vacates the subscriber's premises or the subscriber's service is discontinued or the joint user becomes a subscriber to business service in the same exchange, but in no case shall the charges continue more than six months after the listing has appeared in the directory and has been ordered discontinued.

EXCHANGE SERVICE - SCHEDULE NO. A-10

DIRECTORY LISTINGS.

Applicable to directory listings in addition to those which are provided under the regular rates for service:

RATE:

<u>Service</u>	<u>Rate Per Month</u>
Member of same firm or business, each listing,	\$0.25
Any individual residing at a residence listed at the residence, each listing,	.25
Listing of guest of hotel, each listing,	.50
Any information in addition to a listing, each line,	.25

CONDITIONS:

Additional listings at the above rates will be provided in accordance with the provisions governing directory listings as set forth in Rule and Regulation No. 14.

EXCHANGE SERVICE - SCHEDULE NO. A-11

SUPPLEMENTAL EQUIPMENT.

Applicable to supplemental equipment throughout the territory served.

<u>RATE:</u>	<u>Installation Charge</u>	<u>Rate Per Month</u>
Ordinary Extension Bell,	\$1.25	\$0.25
Ordinary Extension Bell, with Switch,	1.25	.50
Loud Ringing Extension Bell,	1.50	.50
Loud Ringing Extension Bell, with Switch,	1.50	.75
Loud Ringing Extension Bell, Subscriber Installed and Owned,	None	.25
Booth,	5.00	1.50
Telecode Relay and Signal,	*	.75

*Telecode relay and signal will be furnished and installed by the company, the actual cost thereof to be paid by the subscriber. Ownership of the Relay, which is connected to the company's lines shall be vested in the Telephone Company, all other apparatus and wiring to remain the property of the subscriber. The Telephone Company will maintain the entire apparatus.

EXHIBIT "B"

TOLL AND TELEGRAPH SERVICE RATES.

TOLL SERVICE SCHEDULE NO. B-1.

GENERAL SERVICE.

The following listed rates are applicable to Station-to-Station, Person-to-Person and Appointment and Messenger interexchange toll service over the lines of the Kern Mutual Telephone Company.

RATE.

(A) Base Rates: Station-to-Station Day Service, initial rates between any two of the following points:

and	B e t w e e n				
	<u>Bakersfield</u>	<u>Taft</u>	<u>Maricopa</u>	<u>Fellows</u>	<u>McKittrick</u>
Bakersfield,	-	.25	.25	.25	.30
Taft,	.25	-	-	-	.15
Maricopa,	.25	-	-	-	.15
Fellows,	.25	-	-	-	.15
McKittrick	.30	.15	.15	.15	-

Initial Period and Overtime Period, Station-to-Station Day Service:

Where the initial rate is	The initial period is	The overtime period is
\$0.15	5 min.	2 min.
.25	5 "	1 "
.30	3 "	1 "

Overtime Rate Station-to-Station Day Service:

Where the Initial rate is	The Overtime rate is
\$0.15	\$0.05
.25	.05
.30	.10

(B) Person-to-Person, and Appointment and Messenger Rate and Report Charge.

Rate for Initial Period of Three Minutes or Less			
When the Station-to-Station day rate is	The completed Person-to-Person rate is	The completed Appointment & Messenger rate is	The Report charge is
\$0.15	\$0.20	\$0.25	\$0.10
.25	.30	.35	.10
.30	.40	.45	.10

TOLL SERVICE SCHEDULE NO. B-1 (Continued)

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>
\$0.20	1 min.	.05
.25	1 "	.05
.30	1 "	.10
.35	1 "	.10
.40	1 "	.10

(C) Station-to-Station Evening and Night Rates.

<u>When the Station-to-Station Day Rate is</u>	<u>The rate between 8:30 p.m. and 12 midnight is</u>	<u>The rate between 12 midnight and 6:30 a.m. is</u>
\$0.15	Day Rate	Day Rate
.25	" "	" "
.30	\$0.25	\$0.25

(D) Toll Rates for Service to points on Lines of Connecting Companies.

The above rates are in addition to the rates and charges of connecting companies for service furnished jointly over lines of Kern Mutual Telephone Company and the connecting companies' lines.

TELEGRAPH SERVICE - SCHEDULE NO. C-1GENERAL SERVICE.

Applicable to Telegraph Service between points as listed below:

<u>RATE:</u>	<u>Telegrams</u>	<u>First 10 Words or Less</u>	<u>Each Additional Word</u>
	Between Bakersfield and		
	Taft	\$0.25	\$0.02
	Maricopa	.25	.02
	Fellows	.25	.02
	McKittrick	.25	.02
	Between McKittrick and		
	Bakersfield	.25	.02
	Taft	.25	.02
	Maricopa	.25	.02
	Fellows	.25	.02

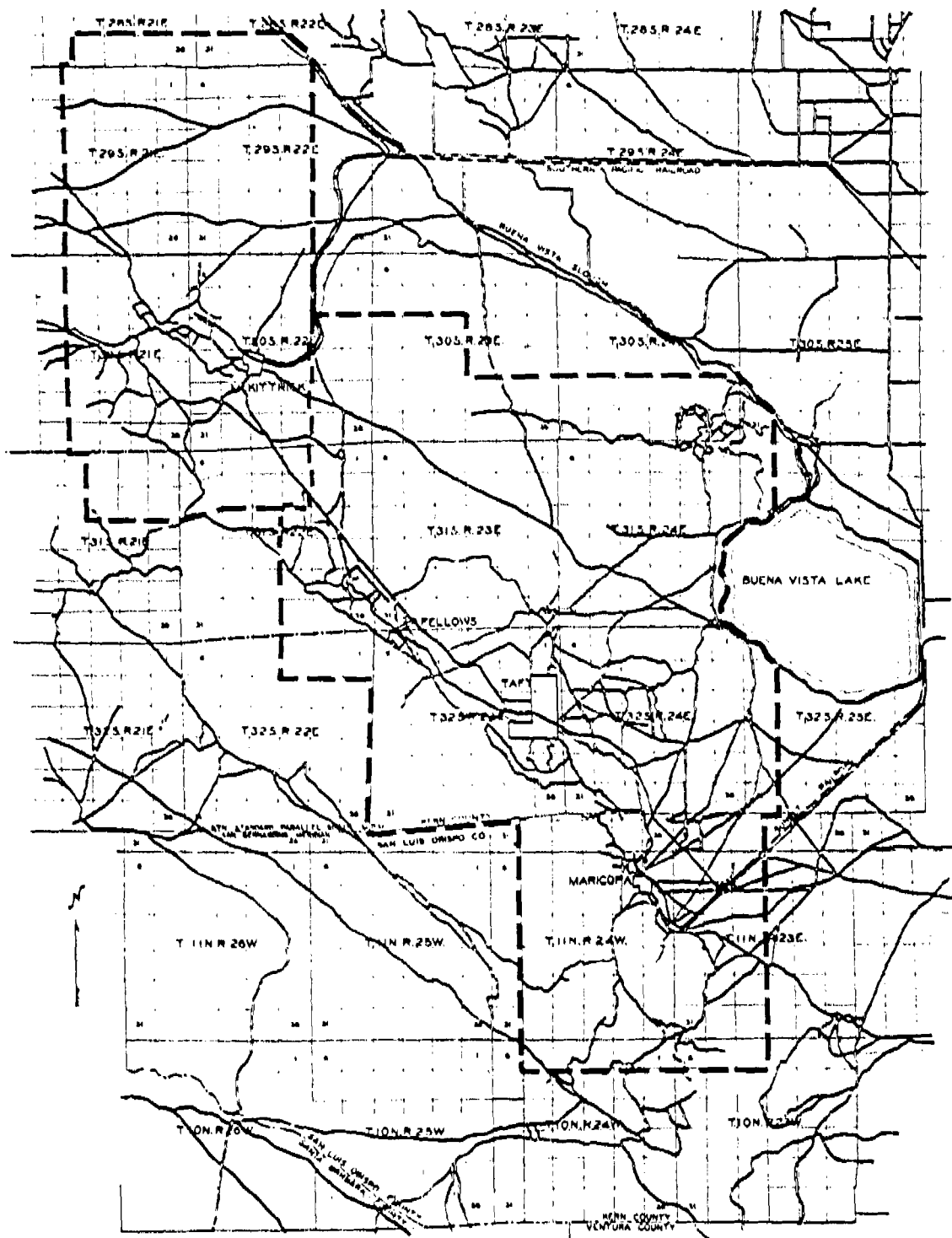
The charge applicable to telegraph messages between any point on the lines of connecting companies and a point on the lines of the Kern Mutual Telephone Company is the sum of the connecting company's or companies' rates between the distant point and Bakersfield and the rates of the Kern Mutual Telephone Company as shown above.

EXHIBIT "C"

MAPS

CALIFORNIA RAILROAD COMMISSION

MAP SHOWING
BOUNDARIES OF TERRITORY SERVED
AND
TAFT AND McKITTRICK EXCHANGE AREAS
KERN MUTUAL TELEPHONE COMPANY



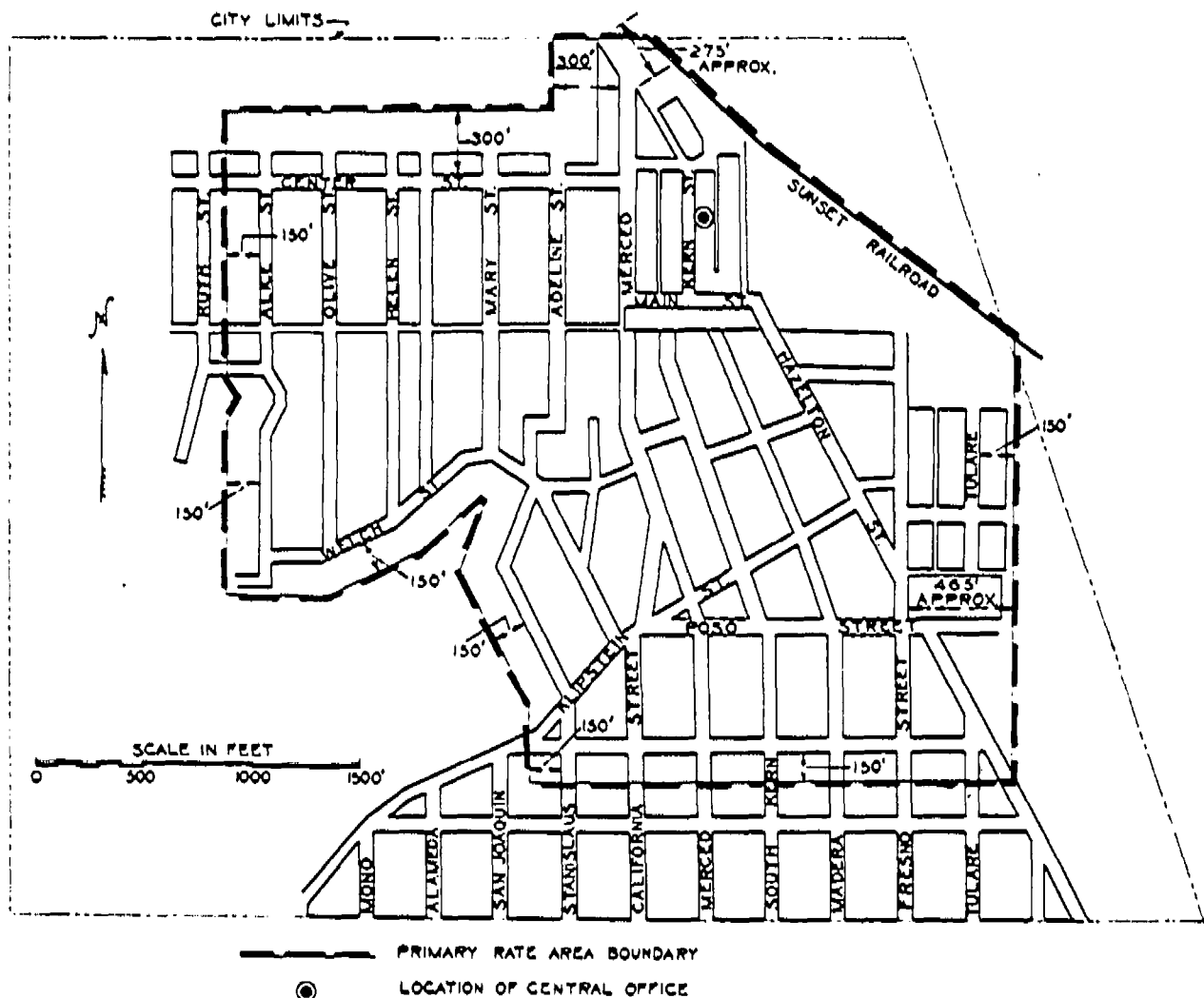
--- TERRITORIAL BOUNDARY
- - - COMMON BOUNDARY OF TAFT AND McKITTRICK EXCHANGES

SCALE IN MILES
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CALIFORNIA RAILROAD COMMISSION

MAP SHOWING
MARICOPA PRIMARY RATE AREA BOUNDARY

KERN MUTUAL TELEPHONE COMPANY



CALIFORNIA RAILROAD COMMISSION

MAP SHOWING

FELLOWS PRIMARY RATE AREA BOUNDARY

KERN MUTUAL TELEPHONE COMPANY

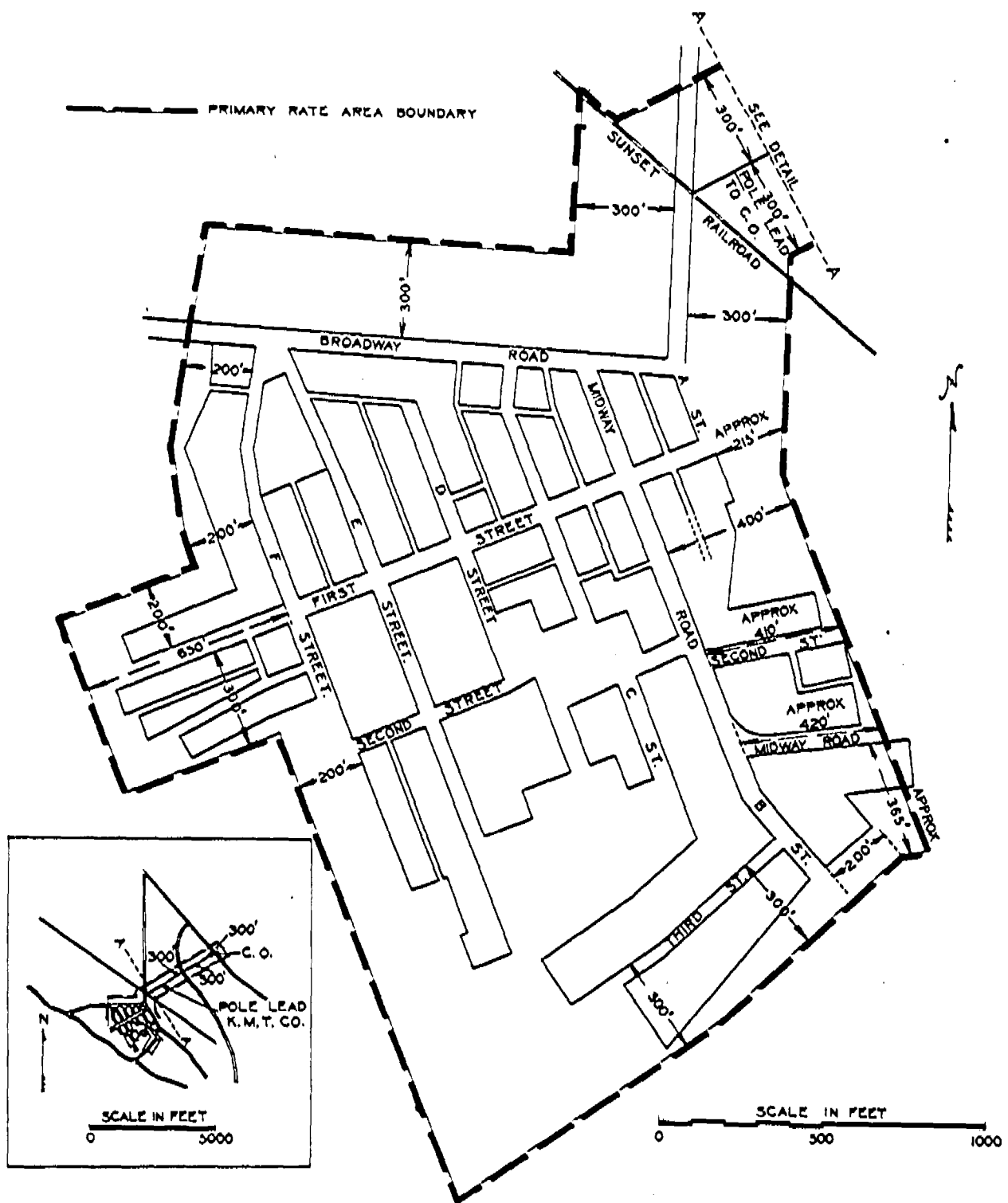


EXHIBIT "D"

RULES AND REGULATIONS.

DEFINITIONS

Certain terms and phrases used in the following Rules and Regulations have the meaning as given in the definitions set forth below.

1. EXCHANGE.

An exchange consists of one or more central offices, usually located in the same city, town or village, forming a local system providing local service between the subscribers in said city, town or village, or contiguous thereto, at rates established for that area.

2. EXCHANGE AREA.

The exchange area for any particular exchange is the total area within which the Company holds itself out to furnish exchange telephone service from central offices serving that area.

3. PRIMARY RATE AREA.

The primary rate area is an area which comprises the more congested territory within an exchange area in which the primary rates without mileage apply.

4. SUBURBAN AREA.

The suburban area is that portion of the exchange area located outside or beyond the boundary of the primary rate area.

5. EXCHANGE SERVICE.

Exchange service is telephone service furnished between subscribers within an exchange area.

6. TOLL SERVICE.

Toll service is telephone service from one exchange or toll station to another exchange or toll station.

7. TELEPHONE SERVICE.

Telephone service is service including both exchange and toll service.

8. FLAT RATE SERVICE.

Flat rate service is unlimited exchange service furnished for a fixed periodic charge.

9. COIN BOX SERVICE.

Coin box service is exchange service furnished from coin boxes, which requires a cash payment for each outgoing message.

10. BUSINESS SERVICE.

Business service is exchange service furnished individuals engaged in a business, firms, partnerships, corporations, agencies, shops, works, tenants of office buildings, hotels receiving individual or party line service, and individuals conducting any business or practicing a profession having no other office than their residence, where the actual or obvious use is for business purposes.

DEFINITIONS (CONT'D)

11. RESIDENCE SERVICE.

Residence service is exchange service furnished subscribers at their residences or places of dwelling, where the actual or obvious use is for domestic purposes.

12. INDIVIDUAL LINE SERVICE.

Individual line service is exchange service furnished to a subscriber by means of an individual primary station connected to an individual line.

13. PARTY LINE SERVICE.

Party line service is exchange service furnished to a subscriber by means of a primary station connected to a line to which other primary stations may be permanently connected, all of which have access to that line.

14. SUBURBAN SERVICE.

Suburban service is a ten-party line service furnished within the suburban area, unless otherwise specified in the rate schedule.

15. FARMER LINE SERVICE.

Farmer line service is exchange service furnished in the suburban area where the lines are built, owned and maintained by individuals and join the Company's line at the boundary of the primary rate area or the city limits, in case the latter boundary is located a greater distance from the central office than the former. The connection of these lines with the exchange serving them is made at the Company's central office and the subscribers are exchange subscribers.

16. PRIVATE BRANCH EXCHANGE SERVICE.

Private branch exchange (P.B.X.) service is that exchange service furnished by means of trunk lines from the Company's central office and branch switchboard, primary and extension stations located on the subscriber's premises and operated by the subscriber.

(a) Hotel Private Branch Exchange Service.

Hotel P.B.X. service is P.B.X. service furnished to hotels, rooming and apartment houses, or to such portion of buildings in which rooms are let to the public for living quarters.

(b) Commercial Private Branch Exchange Service.

Commercial P.B.X. service is P.B.X. service furnished to a business (except hotels) as referred to in Definition No. 10.

17. INTERCOMMUNICATING SERVICE.

Intercommunicating service is exchange service furnished to a subscriber by means of intercommunicating equipment which is so ar-

DEFINITIONS (CONT'D)

ranged that each station of that equipment may make connection with the various stations of its own system and also with the Company's central office.

18. PRIVATE INTERIOR SYSTEM.

Private interior system consists of telephone equipment furnished strictly within the confines of subscriber's premises, where the system as a whole is not connected to the Company's central office. Any individual station on a private interior system may, however, receive exchange service through the Company's central office by the necessary additional equipment provided under the published rates for such a service.

19. PREMISES.

A premises is that portion of an individual house or building entirely occupied by one family, one flat or apartment occupied by one family or any room of an office building, or two or more adjoining or opposite rooms of an office building, or two or more adjoining floors of an office building, providing all rooms on those floors are occupied by the same applicant or subscriber.

20. OWNERSHIP OF PREMISES.

Ownership of a premises will be established after a certificate is submitted to the effect that the premises is owned by the subscriber.

21. APPLICANT.

An applicant is a party applying for telephone service.

22. SUBSCRIBER.

A subscriber is a party who is receiving either partial or complete telephone service.

23. EMERGENCY.

An emergency exists in connection with an application for service in case of serious sickness or where public safety or public need is involved.

24. MEMBER OF A FIRM OR BUSINESS.

Individuals, firms, companies or associations engaged in the same business or profession on one premises, receiving service from the same facilities, are considered as members of a firm or business if the individuals or members of the firm, company or association file a joint income tax return and also if any individual member of a firm company or association substantially participates in the earnings of his fellow members of such firm, company or association.

DEFINITIONS (CONT'D)

25. TEMPORARY SERVICE.

Temporary service is service definitely known to be required for a short period (in general, less than twelve consecutive months), such as service to contractors for use during construction of a building, service to a circus, etc., of a temporary nature.

26. SPECULATIVE PROJECT.

Speculative projects are those enterprises of speculative or hazardous nature:

27. INSTRUMENTALITIES.

Instrumentalities are the telephone instruments located on a premises, excluding inside wiring, protective apparatus and drop wire. In case of a P.B.X., the instrumentalities include the switchboard and telephone instruments.

28. TEMPORARY DISCONNECT.

A service is temporarily disconnected when either incoming or outgoing service, or both, are denied by the Company, but the telephone facilities are held available for the subscriber of that service.

29. PERMANENT DISCONNECT.

A service is permanently disconnected when both incoming and outgoing service is denied by the Company, either through removal of telephone instrument or when the use of the facilities is made available for another subscriber.

30. DATE OF PRESENTATION.

The date of presentation of a bill or notice from the Company to any party is the date upon which that bill or notice is properly addressed and mailed, postage prepaid, in a sealed envelope to that party, or when delivered in person, the date upon which that bill or notice is given to that party.

31. PRIMARY STATION.

A primary station is the main telephone station (excluding extension stations) of a subscriber's service. In case of a private branch exchange, the primary station includes all the subscriber's private branch exchange stations (excluding extension stations).

32. EXTENSION STATION.

An extension station is an additional station connected to a primary station, both of which use the same circuit to the central office, and, in the case of the private branch exchange, the extensions to the primary stations.

33. SUPERSEDURE.

A supersedure of a service means the transfer of a service, including the telephone number, from one party to another.

34. LINE EXTENSION.

A line extension is the outside plant required in addition to existing facilities to render telephone service, and excludes instrumentalities, inside wiring, protective apparatus and drop wire.

RULE AND REGULATION
NO. 1
DESCRIPTION OF SERVICE

(A) GENERAL.

The Company renders exchange telephone service throughout the territory served by it, as shown in maps filed with its schedule of rates. There is available to the subscriber for his use toll service with connecting companies.

The Company furnishes manually operated telephones.

The Exchange Areas are divided into Primary Rate Areas, comprising the more congested portions of the territory served, and Suburban Areas the territory served surrounding or beyond the Primary Rate Areas.

(B) SERVICE.

The Company renders service, within the Primary Rate Areas and Suburban Areas, under its effective rate schedules, and in general, as follows:

1. CLASS OF SERVICE.

The following classes of service are furnished:

- a. Business Service.
- b. Residence Service.

2. TYPE OF SERVICE.

The following types of service are furnished:

- a. Flat Rate Service.
- b. Coin Box Service.

3. GRADE OF SERVICE.

In general, the following grades of service are furnished:

Grade of Service.	Area Applicable.
a. Individual Line	P.R.A. and S.A.
b. Two-and Four-Party Line	P.R.A. and S.A.
c. Private Branch Exchange:	
Commercial	P.R.A. and S.A.
Hotel	P.R.A.

NOTE.- P.R.A. - Primary Rate Area.
S.A. - Suburban Area.

Individual and party line business and residence service is rendered in the Suburban Areas under conditions set forth in Exchange Service Schedules Nos. A-1-a and A-1-b.

Miscellaneous service, including private lines and supplemental equipment, is furnished by the Company under its schedule of rates.

RULE AND REGULATION NO. 1 (CONT'D)

Service is furnished at the base rates associated in the Exchange Service Schedules where the stations of the subscribers are on the premises in which the primary stations, Private Branch Exchange switchboard or receiving station is located.

The application of business and residence rates to private and public telephone service is governed by the actual or obvious use made of the service by the subscriber. If residence service is found to be used largely or principally for business purposes, the Company will provide business service, except in cases where the subscriber will thereafter use the service for domestic or social requirements.

(C) EXTENSION STATIONS.

1. NUMBER.

The following is the maximum number of extension stations which will be connected to a primary station:

Grade of Service:	Maximum Number of Extension Stations.
Individual	3
Two-Party	1 per service
Four-Party	1 per service

2. LOCATION OUTSIDE PREMISES.

Extension stations for business or residence service will be installed outside the premises in which the primary station is located provided, they are for use by the subscriber only and are located on the subscriber's premises and are within satisfactory transmission limits.

(D) PRIVATE BRANCH EXCHANGE SERVICE.

1. COMMERCIAL SERVICE.

Private Branch Exchange Switchboards consist of at least one position, two trunk lines and four stations, excluding switchboard telephone.

One or two position cord switchboards will be provided with a transmitter attached to the switchboard and a detachable single head receiver. An operating set, consisting of a single head receiver and chest type transmitter, will be provided for switchboards of two or three positions, when requested, without additional charge. Operators' chairs will be provided with each multiple switchboard. The switchboards will be provided in a standard finish at the time of installation.

2. HOTEL SERVICE.

Private Branch Exchange switchboards will consist of at least one position, two trunk lines and ten stations, excluding switchboard telephone.

One or two position cord switchboards will be provided with a transmitter attached to the switchboard and a detachable single head receiver.

Switchboards exceeding three positions are provided with detachable operators' sets consisting of a single head receiver and chest type transmitter.

RULE AND REGULATION NO. 1 (CONT'D)

The operators' sets will be provided for switchboards of two or three positions, if requested, without additional charge. Operators' chairs will be provided with each multiple switchboard. Switchboards will be provided in standard finish at the time of installation.

(E) PRIVATE LINES.

Private lines will be provided solely for communication between stations thereon, and will not be connected with the Company's exchange service lines.

RULE AND REGULATION

No. 2

APPLICATION FOR SERVICE

The Company will require each applicant to sign an application for the service desired, on a form provided by the Company, as a condition precedent to the initial establishment of such service.

The application for initial service shall set forth:

- a. Listing as it is to appear in the telephone directory.
- b. Classified heading in telephone directory.
- c. Additional listings as they are to appear in telephone directory.
- d. Service desired.
- e. Purpose for which service is to be used.
- f. Whether facilities are in place on premises where service is desired.
- g. Whether applicant is the owner, of the premises.
- h. Date applicant will be ready for service.
- i. Address to which bills are to be mailed or delivered.
- j. Date of application.
- k. Signature of applicant.
- l. Such other information as the Company may reasonably require.

The Company may require written application from a subscriber for additions to or changes in the existing service of such subscriber.

An application is merely a request for service and does not in itself bind the Company to serve except under reasonable conditions nor does it bind the applicant to take service.

An application for service canceled by the applicant or the Company prior to the establishment of the service applied for is subject to the following conditions:

RULE AND REGULATION NO. 2 (Cont'd)

(A) CANCELLED BY APPLICANT.

1. If cancellation is requested by applicant prior to the time instrumentalities are installed on applicant's premises, the application will be canceled by the Company and no charge will be made against the applicant except as specifically covered by written contract as provided for in these Rules and Regulations.

2. If cancellation is requested by applicant subsequent to the time instrumentalities are installed on applicant's premises but not connected for service, the application will be canceled by the Company, and the Company will collect the service connection charge applicable to the instrumentalities actually installed at the time of requested cancellation, or such other amounts as may be specifically provided for by written contract previously made in accordance with these Rules and Regulations.

3. If cancellation is requested by the applicant subsequent to the time instrumentalities are installed on applicant's premises and connected for service, such cancellation being in effect a regular discontinuance of service, the conditions of the above paragraph (A-2) and the minimum requirements of the rate will be applicable.

(B) CANCELED BY COMPANY.

If applicant refuses to comply with the Company's Rules and Regulations prior to the establishment of service, the Company may cancel the application, in which case any amounts collected from the applicant will be refunded.

RULE AND REGULATION

No. 3

RATES AND OPTIONAL RATES.

The rates to be charged by and paid to the Company for telephone service will be the rates legally in effect and on file with the Railroad Commission of the State of California. Complete schedules of all rates for exchange service in effect for any district will be kept at all times in the Company's local Business Office for that district where they will be available during regular business hours for public inspection.

Where there are two or more rate schedules applicable to any class of service, the Company, or its authorized employees, will call applicant's attention at the time application is made, to the several schedules, and the subscriber will be required to designate which rate or schedule he desires.

In the event of the adoption by the Company of new or optional schedules of rates, the Company will take such measures as may be practicable to advise those of its subscribers who may be

RULE AND REGULATION NO. 3 (Cont'd)

affected that such new or optional rates are effective.

In the event that a subscriber desires to take service under a different schedule than that under which he is being served, the change will become effective on the day the change is completed.

RULE AND REGULATION

No. 4

SPECIAL INFORMATION REQUIRED ON FORMS.

A. CONTRACTS.

Each contract form for telephone service will contain the following provision:

This contract shall at all times be subject to such changes or modifications as the Railroad Commission of the State of California may from time to time direct in the exercise of its jurisdiction.

B. BILLS.

1. Each regular monthly bill for telephone service will contain on the face or back thereof, the following notation:

If this bill is not paid within fifteen days from date of presentation, service may be discontinued, in which event restoration will not be made until this bill has been paid.

2. Each regular annual bill for telephone service will contain on the face thereof, the following notation:

If this bill is not paid within thirty days from date of presentation, service may be discontinued, in which event restoration will not be made until this bill has been paid.

3. Disputed Bills.

Each regular bill for telephone service will contain on the face or back thereof, the following:

In case of a dispute between the subscriber and the Company as to the correct amount of a bill rendered by the Company for service furnished to the subscriber, which cannot be adjusted with mutual satisfaction, the subscriber may deposit with the Railroad Commission of the State of California the amount claimed by the Company to be due. Upon receipt of said deposit, the Commission will investigate the facts and communicate its findings to the parties.

RULE AND REGULATION NO. 4 (Cont'd).

Failure on the part of the subscriber to make such deposit within fifteen days after notice by the Company that such deposit must be made or service may be discontinued, shall warrant the Company in discontinuing service without further notice.

4. When the notices referred to under 1, 2 and 3 above are on the back of the bill, then the phrase "See other side" will appear on the face of the bill.

C. DEPOSIT RECEIPTS.

Each receipt for a deposit collected for the establishment of credit will contain the following provision on the face thereof:

This deposit may be applied, in so far as necessary, in payment of all charges for the telephone service which it guarantees, when such charges remain unpaid after notice in accordance with the Company's Rules and Regulations on file with the Railroad Commission of the State of California that they are due and payable.

This deposit, less the amount of any unpaid bills for telephone service, will be refunded together with any interest due at 6 per cent per annum, upon discontinuance of service or after the deposit has been held for twelve consecutive months, provided service has been continuous and all bills for such service have been paid in accordance with the Rules and Regulations as approved by the Railroad Commission of the State of California.

If service is terminated before the expiration of twelve months from the date thereof, the deposit will be refunded without interest upon payment of all charges then due.

RULE AND REGULATION

No. 5

ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT.

Each applicant for service will be required to establish his credit before service will be rendered.

A. ESTABLISHMENT OF CREDIT.

1. FLAT RATE EXCHANGE SERVICE.

Credit of an applicant will be established upon the advance payment before establishment of service, of the charge for service for the period for which bills are regularly rendered as specified in the rate schedule.

RULE AND REGULATION NO. 5 (Cont'd).

2. COIN BOX EXCHANGE SERVICE.

Credit of an applicant will be established when the conditions of any one of the following provisions is met:

(a) If applicant is the owner of the premises upon which the Company is requested to furnish service, or is the owner of other real estate within the exchange area in which service is requested.

(b) If the applicant makes a cash deposit with the Company to secure the payment of bills for telephone service to be furnished by the Company under the application, as provided in Rule and Regulation No. 6 herein contained.

(c) If the applicant furnishes a guarantor satisfactory to the Company for payment to the Company of bills of applicant for telephone service to be furnished by the Company under the application.

(d) If the applicant is a subscriber to service in the same exchange in which the changed, additional or new service is applied for and has paid all bills for service on the average within the period set forth in Rule and Regulation No. 11-A, for a period of twelve consecutive months immediately prior to the date when the application for the changed, additional or new service is made upon the Company.

(e) If the applicant has previously been a subscriber of the Company in the exchange in which service is applied for and has paid all bills for service on the average within the period as set forth in Rule and Regulation No. 11-A, for a period of twelve consecutive months immediately prior to the date when the applicant for service previously ceased to take service from the Company, provided such service occurred within two years from the date of the new application for service.

3. TOLL SERVICE

An applicant's credit for toll service will be established when that applicant has established his credit for exchange service.

B. RE-ESTABLISHMENT OF CREDIT.1. ALL TYPES OF SERVICE.

(a) An applicant for telephone service who has been a subscriber of the Company and whose service has been permanently discontinued for failure to pay a bill for telephone service (of the same class as being applied for), within the period as set forth under Rule and Regulation No. 11-A, within a twelve-month period prior to the last date upon which the applicant

RULE AND REGULATION NO. 5 (Cont'd)

received service, provided the date of discontinuance occurred within a period of two years prior to the date of application, may be required, before service is resumed, to re-establish his credit by making a cash deposit in an amount not to exceed a sum equal to the average periodic bill for that service.

(b) A subscriber for telephone service who fails to pay his bill for telephone service, as provided in Rule and Regulation No. 11-A, and who further fails upon second notice of not less than five (5) days to pay said bill within the time required by the second notice, may be required to pay said bill and to re-establish his credit by making a cash deposit in an amount not to exceed a sum equal to the average periodic bill for that service.

(c) A subscriber whose service has been temporarily disconnected for failure to pay a bill for telephone service, as provided in Rule and Regulation No. 11-A, may be required, before service is resumed, to re-establish his credit by making a cash deposit in an amount not to exceed a sum equal to the average periodic bill for that service.

RULE AND REGULATION
No. 6
DEPOSITS

A. ESTABLISHMENT OF CREDIT.

1. FLAT RATE EXCHANGE SERVICE.

No deposits from applicants for flat rate exchange service will be required for the establishment of credit.

2. COIN BOX EXCHANGE SERVICE.

The amount of deposit for the establishment of credit for coin box exchange service will be an amount equal to the minimum monthly charge for that service.

B. RE-ESTABLISHMENT OF CREDIT.

The amount of the deposit required from an applicant or subscriber to re-establish credit for telephone service, as set forth in Rule and Regulation No. 5(B), or from any subscriber whose service has been discontinued for non-payment of bills, or who has failed to pay bills upon second notice, in time required by second notice, which will not be less than five days, shall not exceed a sum equal to the average periodic bill for that telephone service.

C. OTHER DEPOSITS.

The amount of deposit required for purposes other than the establishment and re-establishment of credit will in each case be in accordance with the terms of the contract as may be provided for in the regular schedule of rates and these Rules and Regulations.

RULE AND REGULATION
No. 7
RETURN OF DEPOSIT-INTEREST ON DEPOSIT

A. RETURN OF DEPOSIT COLLECTED IN CONNECTION WITH ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT.

The Company will notify the subscriber in writing that his deposit is subject to return and will refund the deposit in accordance with the following provisions:

1. When the service is ordered discontinued by the subscriber, except when there are charges due the Company for telephone service to the subscriber, in which case, the deposit will be applied to the charges and the excess portion of the deposit will be returned.

2. When the deposit has been held for twelve consecutive months from the date of receipt thereof and exchange service has been continuous and all bills for telephone service have been paid in accordance with these Rules and Regulations.

3. When an application is canceled prior to the establishment of service.

B. INTEREST ON DEPOSIT COLLECTED IN CONNECTION WITH ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT.

1. Interest at the rate of six per cent per annum will be paid on deposit held by the Company for the first twelve consecutive months, provided service has been continuous and all bills for telephone service have been paid on the average within the period as set forth in Rule and Regulation No. 11-A, and for such additional time thereafter as the Company may hold the deposit up to the date on which the subscriber is notified that the deposit is subject to return.

2. No interest will be paid on a deposit if that deposit is held for a period of less than twelve consecutive months.

C. INTEREST ON OTHER DEPOSITS.

1. Deposits collected for purposes other than the establishment or re-establishment of credit will in each case be refunded with interest, if any, in accordance with the terms of the contract as may be provided for in the regular schedule of rates and these Rules and Regulations.

RULE AND REGULATION
NO. 8
PRIORITY OF SERVICE APPLICATION AND SUPERSEDURE

(A) PRIORITY OF SERVICE APPLICATION.

Application for service covered by the schedules of rates on file will be accepted by the Company. The service requested will be rendered in accordance with the chronological order of their receipt in so far as practicable and in accordance with economical administration, except in the following cases, in which deviation shall be made in the following order in accordance with the facilities available to serve the applicant's premises:

(1) Application for service in case of real emergency will be given priority over all other applications included under sections (2), (3) and (4) below.

(2) Application where the instrumentalities are in place on the premises to which the application applies and where service to those instrumentalities has not been removed and facilities assigned to another subscriber will be given priority over all other applications included under sections (3) and (4) below.

(3) Application of a party who has been a subscriber of the Company within a one-month period immediately prior to the date of application will be given priority over other applications referred to under section (4) below.

(4) Application for business service will be given priority over applications for residence service which have been held for a period of less than two months.

(B) SUPERSEDURE.

An applicant may supersede the service of a subscriber discontinuing that service, only when the applicant is to take service on the premises where that service has been rendered and a written notice to that effect from both the subscriber and applicant is presented to the Company. The applicant will be notified of any charges outstanding against the service and responsibility for payment thereof will be assumed by the applicant before the supersedure is permitted.

The installation of a service to an applicant when the instrumentalities are in place but where the telephone number of the outgoing subscriber is not to be transferred to the incoming party, will be made in accordance with section (A) of this Rule and Regulation.

RULE AND REGULATION
NO. 10
RENDERING AND PAYMENT OF BILLS

A. RENDERING OF BILLS.

1. FLAT RATE EXCHANGE SERVICE.

Bills for flat rate exchange service for the period specified in the rate schedule may be rendered in advance and are payable in advance.

2. COIN BOX EXCHANGE SERVICE.

Bills for coin box exchange service for the period specified in the rate schedule will be rendered in arrears either monthly, fortnightly, or weekly, and are due and payable on date of presentation.

B. BILLING PERIOD.

Bills for exchange service will be rendered and coin boxes opened as nearly as possible at regular intervals. Except as otherwise stated, the regular billing period will be once each month.

C. PAYMENT OF BILLS.

Payment of bills for telephone service shall be made at the office of the Company or to a duly authorized collector of the Company.

Removal bills, special bills, bills rendered on vacation of premises, or bills rendered to persons discontinuing exchange service, will be payable upon presentation. Bills for service connection and deposits for the establishment or re-establishment of service must be paid before service will be installed or restored.

D. ADJUSTMENT OF BILLS.

Opening, closing and monthly bills for telephone service rendered for periods in excess of or less than a calendar month, will be prorated on the basis of the number of days in the period in question to the total number of days of that month or of an average month of thirty days, when the period in question involves a portion of more than one calendar month, providing, however, that when the total period for which service is taken is less than one month, the total charge for that service will not be less than the monthly minimum charge.

E. RATES APPLICABLE DURING TEMPORARY DISCONNECTION OF SERVICE FOR NON-PAYMENT.

When the Company has the right to temporarily or permanently discontinue exchange service as provided by these Rules and Regulations, it may do either at its option.

Service temporarily disconnected will be charged for in accordance with the regular rates for a period not to exceed fifteen (15) days subsequent to the date of temporary disconnection.

RULE AND REGULATION
NO. 11
DISCONTINUANCE OF SERVICE

A. NON-PAYMENT OF BILLS.

1. FLAT RATE EXCHANGE SERVICE.

Flat rate exchange service of a particular service, separately served and billed, may be temporarily or permanently discontinued for the non-payment of that bill, providing that bill therefor has not been paid within

Thirty calendar days after presentation, when bills are normally made out yearly;
Fifteen calendar days after presentation, when bills are normally made out monthly;
Seven calendar days after presentation, when bills are normally made out fortnightly;
Four calendar days after presentation, when bills are normally made out weekly;

but in no case less than the above prescribed number of days after the first day of service covered by that bill.

2. COIN BOX EXCHANGE SERVICE.

Coin box exchange service to a particular installation, separately served and billed, may be temporarily or permanently discontinued for the non-payment of a bill for the service rendered thereto, provided that the bill therefor has not been paid within

Thirty calendar days after presentation, when bills are normally made out yearly;
Fifteen calendar days after presentation, when bills are normally made out monthly;
Seven calendar days after presentation, when bills are normally made out fortnightly;
Four calendar days after presentation, when bills are normally made out weekly;

except in case a deposit to guarantee bills has been made, in which case the service will not be temporarily or permanently discontinued until the amount of the deposit has been fully absorbed.

3. TOLL SERVICE.

When a subscriber's exchange service is temporarily or permanently discontinued as provided for in these Rules and Regulations, the subscriber's toll service will also be discontinued.

When a subscriber fails to pay bills for toll service rendered in connection with a particular exchange service, telephone service may be temporarily or permanently discontinued, provided that the bill therefor has not been paid within

Fifteen calendar days after presentation, when bills are normally made out monthly;
Seven calendar days after presentation, when bills are normally made out fortnightly;
Four calendar days after presentation, when bills are

RULE AND REGULATION
NO. 11
DISCONTINUANCE OF SERVICE (CONT'D)

normally made out weekly;

providing, that in case a deposit to guarantee bills has been made, the service will not be temporarily or permanently disconnected until the amount of the deposit has been fully absorbed; and further providing that in case of question or dispute regarding the correct amount of the bill, telephone service will not be discontinued.

In such a case, if such question or dispute cannot be adjusted with mutual satisfaction, the subscriber may deposit with the Railroad Commission of the State of California the amount claimed by the Company to be due, and failure upon the part of the subscriber to make such deposit within fifteen (15) days after notice by the Company that such deposit must be made or service may be discontinued, shall warrant the Company in discontinuing the service without further notice.

B. SERVICE AT A PREVIOUS LOCATION.

A subscriber's telephone service may be temporarily or permanently discontinued for non-payment of a bill for the same class (residence or business) rendered at a previous location served by the Company, provided said bill is not paid within thirty days after the date of presentation at the new location.

D. CORRECTED BILLS.

If the Company renders a back bill to a subscriber for service received which has not theretofore been billed to the subscriber within a period of ninety days from the date service was rendered, and if the subscriber has paid bills for service subsequent to the period covered by the back bill and prior to the time of rendering the back bill, then the Company will not discontinue the subscriber's service for the failure to pay that back bill if questioned or disputed by the subscriber.

E. PERMANENT DISCONNECTION AFTER A TEMPORARY DISCONNECTION.

If a subscriber's telephone service has been temporarily disconnected then that service will not be permanently disconnected until after a second notice of at least five days to the subscriber, stating that unless his credit is re-established service will be permanently disconnected.

RULES AND REGULATIONS
NO. 11
DISCONTINUANCE OF SERVICE (CONTD)

F. UNSAFE APPARATUS.

The Company has the right of refusing to or ceasing to render telephone service to a subscriber if, at any time, any of the lines, appliances or apparatus on the subscriber's premises shall be unsafe, or if the use made of the service shall be prohibited or forbidden under any law or municipal ordinance or regulation (until such law, ordinance or regulation shall be declared invalid by a competent court of jurisdiction); and may refuse to render service until the subscriber shall have remedied the unsafe condition and complied with all laws, ordinances and regulations applicable thereto.

G. ABUSE OR FRAUD.

The Company has the right to refuse telephone service to any premises and at any time to discontinue telephone service if it finds it necessary to do so to protect itself against abuse or fraud.

H. NON-COMPLIANCE WITH THE COMPANY'S RULES.

The Company may discontinue service if a subscriber fails to comply with any of the Rules and Regulations herein, provided such failure is not remedied within a reasonable time, after due written notice has been given, except as otherwise provided in the Rules and Regulations.

Except as provided by these Rules and Regulations, the Company will not temporarily or permanently discontinue telephone service to any subscriber for violation of any rule or regulation except upon written notice of at least five days, advising the subscriber in what particular such rule or regulation has been violated for which telephone service will be discontinued if the violation is not remedied. This notice may be waived in cases of an emergency or in the event of the discovery of a dangerous condition on the subscriber's premises or in the case of the subscriber's utilizing the telephone service in such a manner as to make it dangerous for occupants of the premises, thus rendering the immediate discontinuance of service to the premises imperative.

I. SUBSCRIBER ABOUT TO VACATE PREMISES.

The Company will hold a subscriber about to vacate premises responsible for all service rendered until that subscriber shall give notice of his intended removal, specifying the date service is desired to be discontinued.

J. SERVICE NOT TO BE IMMEDIATELY USED.

The Company may refuse the installation of service that is not to be used within a reasonable period after installation.

K. ABUSIVE LANGUAGE BY SUBSCRIBERS.

The Company may discontinue the telephone service of any subscriber who uses vile, abusive or profane language, or impersonates any other individual with fraudulent intent, over any line connected to the Company's system, after the subscriber has been advised of this fact.

RULE AND REGULATION
NO. 12
DISPUTED BILLS

In case of a dispute between the subscriber and the Company as to the correct amount of a bill rendered by the Company for telephone service furnished to the subscriber, which cannot be adjusted with mutual satisfaction, the subscriber may deposit with the Railroad Commission of the State of California the amount claimed by the Company to be due. Upon receipt of said deposit, the Commission will investigate the facts and communicate its findings to the parties.

Failure on the part of the subscriber to make such deposit within fifteen days after notice by the Company that such deposit must be made or service may be discontinued shall warrant the Company in discontinuing the service without further notice.

RULE AND REGULATION
NO. 13
NOTICES

Any notice the Company may give to a subscriber supplied with telephone service by the Company may be given orally, unless otherwise provided by these Rules and Regulations, to the subscriber, or his authorized representative, or by written notice, either delivered at the address hereinafter described in this Rule and Regulation or properly deposited in any United States Post Office in the territory served by the Company, postage prepaid, addressed to the subscriber at the subscriber's place of address specified in the subscriber's application for telephone service, or at such address as may subsequently be given by the subscriber to the Company at its local Business Office.

Any notice from any subscriber to the Company may be given orally, unless otherwise provided by these Rules and Regulations, to the Company by the subscriber, or any authorized representative, at the Company's local Business Office, or by written notice properly addressed and mailed to the Company.

RULE AND REGULATION

No. 14

DIRECTORY LISTINGS

Listings in the alphabetical section of the telephone directory are intended solely for the purpose of identifying subscribers' telephone numbers as an aid to the use of telephone service. Telephone directories are furnished subscribers to facilitate the use of the service, and remain the property of the Telephone Company and may be collected upon issuance of new directories. Subscribers are entitled, without charge, to listings in the alphabetical section of the directory as follows:

Individual line service	1 listing
Joint user service	1 listing
Party Line service, each primary station	1 listing
Private Branch Exchange service, each trunk line.	1 listing

Business listings consist of a name, the address of the premises in which the primary station or switchboard is located, and the telephone number. A designation descriptive of the business will be included if the name does not indicate the nature of the business.

Business listings may be those of individuals engaged in a business, names of firms or members thereof, the names of corporations or the officers thereof, and the names of employees. A trade name made up by adding a term, such as company, agency, shop, works, etc., to the name of a commodity, will not be accepted as a listing unless the subscriber is authorized to do business under that name. Listings are not accepted which appear to be designed primarily to give publicity to a commodity or service.

All additional listings in connection with a subscriber's service, except night service, must bear the same address and telephone number as the primary listing, except that additional listings in connection with private branch exchange stations, and extension stations not located on the same premises as the primary station, may show the address at which the station is located, but will be accepted only in the name of the subscriber.

Residence listings consist of a name, an abbreviation indicating "residence," the address of the premises to which service is furnished and the telephone number.

Residence listings may be those of the subscriber or members of the subscriber's domestic establishment residing on the premises in which the subscriber's service is provided.

Residence listings of physicians, surgeons, dentists, veterinary surgeons or other medical practitioners, osteopaths, chiropractors, Christian Science practitioners, etc., may indicate the same distinctive designations as their business service listings. Residence listings of clergymen, professors, military and naval officers may, if necessary and desirable, for the purpose of identification, include abbreviated designations of title.

RULE AND REGULATION
NO. 14
DIRECTORY LISTINGS (CONT'D)

The charges for additional listings begin with the day they are included in the information records, and when printed in the directory, may not be discontinued until the end of the directory period, unless the subscriber's service is discontinued.

The Company is liable for errors or omissions in the listings of its subscribers in the telephone directory in an amount not in excess of the charge for that exchange service during the effective life of that directory in which the error or omission is made.

RULE AND REGULATION

NO. 15

PUBLIC TELEPHONE SERVICE

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

RULE AND REGULATION

NO. 16

BASIS OF MILEAGE CHARGES

Mileage charges to Private Branch Exchange stations are based on air line distance measured between the station and the Private Branch Exchange switchboard.

RULE AND REGULATION

NO. 17

CHANGES IN TELEPHONE NUMBER

The Company may change the number of a subscriber's telephone if the requirements of the service demand it.

RULE AND REGULATION

NO. 18

LIMIT OF CONVERSATION

Exchange calls of a subscriber to party line service may be limited to a maximum period of five (5) minutes.

RULE AND REGULATION

NO. 19

RESPONSIBILITY FOR TELEPHONE EQUIPMENT

The subscriber shall be responsible for loss of or damage to any equipment or apparatus furnished by the Company unless such loss or damage is due to causes beyond his control.

RULE AND REGULATION

NO. 20

USE OF EQUIPMENT

All telephone equipment and apparatus furnished by the Company shall be carefully used and shall not be removed from the subscriber's premises except by an authorized representative of the Company, nor connected in any manner with any equipment or apparatus not furnished or authorized by the Company.

RULE AND REGULATION

NO. 21

OWNERSHIP OF INSTRUMENTALITIES ON SUBSCRIBER'S PREMISES

(A) ALL SERVICE.

The Company shall own, furnish, and maintain all instrumentalities, including inside wiring, protective apparatus, and other facilities used to provide service to a subscriber, except as may be specified in the rate schedules.

All instruments provided shall conform to the established construction standards of the Company.

(B) DIRECTORIES.

Telephone directories containing the listings of subscribers' telephone numbers within a specified area, furnished from time to time by the Company, are and remain the property of the Company. They shall not be mutilated and shall be surrendered upon request to the carrier who delivers the subsequent issue.

RULE AND REGULATION

NO. 22

BUSINESS AND RESIDENCE SERVICE

The applicability of business and residence rates is governed by the actual or obvious use made of the service.

The use to be made of the service will be ascertained from the applicant at the time of application for service.

(A) BUSINESS SERVICE.

Business rates apply at the following locations:

1. In offices, stores, factories, and all other places of a strictly business nature.

2. In boarding and rooming houses, colleges, clubs, hospitals and other institutions, offices, lobbies and halls of hotels, apartment buildings and churches.

RULE AND REGULATION
No. 22 (Cont'd)
BUSINESS AND RESIDENCE SERVICE

3. At any location when the listing of office is provided or when any title indicating a trade or profession is listed, except as may be modified under Rule and Regulation No. 14; or when the substantial use of the service is occupational rather than domestic, regardless of the form of listing; or when the primary service is provided with an extension located at a point not a part of the subscriber's domestic establishment.

(B) RESIDENCE SERVICE.

Residence rates apply at the following locations:

1. In private residences or residential apartments of hotels and apartment houses when business listings are not provided and when all stations are in locations which are a part of the subscriber's domestic establishment.

If it is found that the subscriber is using residence service for business purposes, the Company will thereafter require the subscriber to take business service, except in cases where the subscriber thereafter uses the service only for residence or domestic purposes.

RULE AND REGULATION
NO. 24
SERVICE CONNECTIONS TO BE MADE BY COMPANY'S EMPLOYEES

Only duly authorized employees of the Company are allowed to connect, disconnect, move, change or alter in any manner any and all instrumentalities and facilities furnished by the Company.

RULE AND REGULATION

NO. 25

COMPANY'S RIGHT OF INGRESS TO AND EGRESS FROM SUBSCRIBERS' PREMISES

The Company has the right of ingress to and egress from the subscribers' premises at all reasonable hours for any purpose reasonably connected with the furnishing of telephone service and the exercise of any and all rights secured to it by law or these Rules and Regulations.

The Company has the right to remove any and all of its property installed on the subscriber's premises at the termination of service as provided for in these Rules and Regulations.

RULE AND REGULATION

NO. 26

CREDIT ALLOWANCE FOR INTERRUPTION TO SERVICE

Upon request of the subscriber, the Company will allow subscribers credit in all cases where telephones are "out of service," except when the "out of service" is due to the fault of the subscriber, for periods of one day or more, from the time the fact is reported by the subscriber or is detected by the Company, of an amount equal to the total bill for exchange service multiplied by the ratio of the number of days of "out of service" to the total number of days in the billing period covered by the total bill for exchange service.

A day of "out of service" will be considered to exist when outgoing service is not available for a period of twenty-four consecutive hours. When any "out of service" period continues for a period in excess of an even multiple of twenty-four hours, then the total period upon which to determine the credit allowance will be taken to the next higher even twenty-four hour multiple.

In no case will the credit allowance for any period exceed the total bill for exchange service for that period.

RULE AND REGULATION

NO. 27

SUBSCRIBERS' PRIVATE SERVICE NOT FOR PUBLIC USE

The subscriber shall not permit the public use of service furnished him for his private use.

If it is found that the subscriber is permitting public use of service furnished him for his private use, the Company will thereafter provide public business service except in cases where the subscriber consents to the facilities being so located as to be inaccessible to the public or permits no further public use after the matter has been called to his attention.

RULE AND REGULATION

NO.28

CONTRACTS

Contracts will not be required as a condition precedent to service except:

(a) As may be required by conditions as set forth in the regular schedule of rates and Rules and Regulations approved or accepted by the Railroad Commission of the State of California.

(b) In the case of line extensions, temporary service or service to speculative projects, in which case a contract may be required for a period not to exceed three years unless by special permission from the Railroad Commission of the State of California.

RULE AND REGULATION

NO.29

MOVES AND CHANGES

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

A. TELEPHONE SETS.

- 1. Moving from one location to another\$3.00
- 2. Change in style no change in service being involved\$3.00

B. PRIVATE BRANCH EXCHANGE SYSTEMS

- 1. Moving from one location to another:

	Same Room	One room to another
(a) P.B.X. Systems, cord and cordless per station	\$3.00	\$3.00
(b) P.B.X. Switchboards, per position		
30-line	5.00	10.00
80-line	7.50	15.00
160-line	10.00	25.00
320-line	17.50	40.00
Over 320-line.....		Actual Cost

C. OTHER EQUIPMENT AND WIRING.

Charges for moving or changing of equipment or wiring, other than that included under A and B above, will be an amount equal to the actual cost of labor and material involved.

D. MAINTENANCE.

The charges specified above do not apply if the changes or moves are initiated by the Telephone Company and required for the proper maintenance of the equipment or service.

E. 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.

RULE AND REGULATION

NO. 30

SERVICE CONNECTION CHARGES

Service connection charges provided for hereunder are payable at the time application for the particular service or facility is made, and are in addition to the regular schedule of rates.

Service connection charges apply to all exchange service and facilities, in accordance with the following provisions:

1. NEW AND ADDITIONAL SERVICE Service Connection Charges

Individual and party line primary stations and private branch exchange trunks:

Business and residence, each station..... \$3.50
each trunk..... 3.50

Private branch exchange stations (except operator's sets):

Business and residence, each station..... 1.50

Extension stations:

Business and residence, each station..... 1.50

2. SERVICE WHERE INSTRUMENTALITIES ARE ALREADY IN PLACE ON SUBSCRIBER'S PREMISES AND NO CHANGE IN LOCATION OF FACILITIES IS INVOLVED.

Business and residence, subscriber's exchange service, one or more units..... 1.50

A change in location of telephone sets made at subscriber's request is subject to the charges for Moves and Changes, provided the total charges for such moves and changes shall not exceed the charges for the initial establishment of the subscriber's complete service and facilities.

Service connection charges do not apply under the following conditions:

BUSINESS SERVICE.

- (a) When service is assumed by a receiver or by trustee, executor or administrator of an estate.
- (b) Change in the name of the business concern (i.e., individual, partnership, syndicate or corporation) when there is no complete change in ownership or management.

RESIDENCE SERVICE.

- (a) When service is assumed by a member of the former subscriber's family located in the same premises.
- (b) When there is no change in the individuality of the recipient.
- (c) When the subscriber's name has been changed by marriage or Court order.

RULE AND REGULATION
NO. 31
LINE EXTENSION

A. LINE EXTENSION WITHIN PRIMARY RATE AREAS.

Line extensions necessary to render telephone service within the primary rate areas will be made by the Company.

B. LINE EXTENSION OUTSIDE PRIMARY RATE AREAS.

A line extension necessary to render telephone service outside primary rate areas will be made in accordance with the following:

The applicant will pay to the Company the entire cost of the necessary extension of plant, required outside of or beyond the primary rate areas, for the grade of service applied for as provided in the schedule of rates.

Amounts paid to the Company for line extensions are not refundable.

Applicant, if he so elects, may provide and construct the required outside plant in accordance with the construction standards of the Company in lieu of the above charge, but in all such instances, the ownership shall be vested in the Telephone Company.

C. OWNERSHIP AND MAINTENANCE OF LINE EXTENSION.

All line extensions will be owned and maintained by the Company.

D. TEMPORARY SERVICE.

Line extensions for temporary service to an applicant will be made, providing the applicant pays to the Company the total cost to construct and remove the line necessary to render that service, less the salvage value of the materials used.

E. LOCATION OF LINE EXTENSIONS.

The location of line extensions shall be determined by the Telephone Company.

F. CONTRACTS.

Contracts for telephone service where line extensions are necessary may be required by the Company as a condition precedent to service for a period not to exceed three years.

G. SAVING CLAUSE.

In any case which may appear to warrant a departure from the above rules either on behalf of the Company or applicant for service, the matter may be submitted to the Railroad Commission of the State of California for adjustment.

RULE AND REGULATION
NO. 32
ERRORS IN TRANSMITTING, RECEIVING OR DELIVERING
ORAL MESSAGES BY TELEPHONE.

The Company shall not be liable for errors in transmitting, receiving or delivering oral messages by telephone over the lines of the Company and connecting companies to exceed the amount of the charges received therefor.

RULE AND REGULATION
NO. 33
LOSS ARISING FROM NON-DELIVERY OF WRITTEN MESSAGES

The Company shall be liable for loss or damage that may occur in the course of the employment of any messenger not to exceed twenty times the charge for such messenger service, and shall be liable for loss or damage that may occur in the transmission of any message over its lines not to exceed the amount received for sending same.

RULE AND REGULATION
NO. 34
SERVICE CONNECTIONS AT SUBSCRIBERS' PREMISES

Except as otherwise provided in these Rules and Regulations, the Company will, at its own expense, furnish and install all wires necessary to serve applicants in accordance with its lawful rates, Rules and Regulations, and in accordance with its established construction standards.

In districts where underground construction would ordinarily be furnished by the Company, or where such construction is required by law, the Company will, at its own expense, extend the necessary underground construction to the property lines of the premises occupied by the subscribers, in accordance with its established construction standards, but shall not be required, at its own expense, to provide the conduit on the premises occupied by the subscribers.

Except in districts where underground construction would ordinarily be furnished by the Company, or where such construction is required by law, the Company will not, at its expense, furnish and install underground connections to or on the premises of subscribers, and if such underground connections are requested, the Company will furnish and install the same, but the difference between the cost of such underground construction and the cost of furnishing the connections by means of the usual overhead construction must be paid to the Company upon demand by the person, or persons, making the request for underground connections. If the underground conduit shall be furnished and installed by the occupant or owner of the premises, the same shall be subject to the approval of the Company.

The interior wiring in buildings necessary to provide telephone service to the occupants shall be furnished and installed by the Company, and it shall not be required to connect its facilities and instrumentalities with interior wires furnished and in-

RULE AND REGULATION
NO. 34 (Continued)
SERVICE CONNECTIONS AT SUBSCRIBERS' PREMISES

stalled by others. If, as is sometimes the case, the owner of a building under construction elects to furnish and install wires which conform with the standards and specifications of the Company, it may, as the exigencies of the service require, utilize such interior wiring until ownership is acquired from the building owner.

RULE AND REGULATION
NO. 35
TEMPORARY SERVICE OR SPECULATIVE PROJECTS

The company will furnish temporary service under the following conditions:

(a) The applicant for such service shall be required to pay to the Company in advance, or otherwise as the Company may elect, the net cost of installing and removing any facilities necessary in connection with furnishing of such service by the Company.

(b) Each applicant for service may be required to deposit with the Company a sum of money equal to the estimated amount of the Company's bill for such service or to otherwise secure, in a manner satisfactory to the Company, the payment of any bills which may accrue by reason of such service so furnished or supplied.

(c) Nothing in this Rule and Regulation shall be construed as limiting or in any way affecting the right of the Company to collect from the subscriber any other or additional sum of money which may become due and payable to the Company from the subscriber by reason of the service furnished or to be furnished hereunder.