

Decision No. 19216.**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

|   |                        |
|---|------------------------|
| In the matter of the application<br>of ELK GROVE TELEPHONE COMPANY, a<br>corporation, for an order author-<br>izing a revision of its rates for<br>telephone service. | Application No. 14129. |
|---|------------------------|

Ernest Irwin, for Applicant.

CARR, COMMISSIONER:

O P I N I O N

Elk Grove Telephone Company, successor of Elk Grove Mutual Telephone Association, applies for an increase of rates.

A public hearing has been had and the matter is now ready for decision.

Applicant's predecessor operated on a mutual basis, its equipment being owned almost entirely by the subscribers and its rates being only such as would pay operating expenses, including maintenance of subscriber-owned lines (re Elk Grove Mutual Telephone Association, 22 C.R.C. 456). About a year and a half ago applicant secured permission to issue stock to acquire a little property owned by its predecessor and also to secure funds to acquire farmer-owned lines and to extend the system necessary to properly serve Elk Grove and vicinity (re Elk Grove Mutual Telephone Association and Elk Grove Telephone Company, 27 C.R.C. 739).

Since the date of the last cited order applicant has acquired such property of its predecessor and also certain lines and property from subscribers, as well as carrying through a substantial amount of new construction, so that at the present

time \$31,500. represents a reasonable figure for its rate base.

The present rate structure of the Company will just about pay operating expenses, including maintenance of subscribers' lines, but without any return upon the property which the Company owns. Clearly, applicant is entitled to relief which will yield it a return upon its property used in the telephone service at Elk Grove.

Under the evidence, \$7,500. should cover the operating expenses of the applicant. The rates herein authorized should yield approximately \$9,700., which will take care of operating expense and leave a reasonable amount over as a return on the rate base hereinabove found reasonable.

There are still some 86 stations in the primary rate area owned by subscribers. Special rates for such subscribers may be discontinued as it appears from the testimony that applicant will speedily acquire full ownership of all equipment in the primary rate area.

I recommend the following form of order:

O R D E R

Elk Grove Telephone Company having requested an order of the Railroad Commission of the State of California authorizing a revision of its rates, a public hearing having been held, the matter 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 now charged by Elk Grove Telephone Company for telephone service are unjust and unreasonable in so far as they differ from the rates set forth in Exhibit

"A," attached hereto.

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

IT IS HEREBY ORDERED that Elk Grove Telephone Company be and it is hereby authorized to make certain modifications in its operations and may, effective March 1 1928,

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

(2) Establish a primary rate area boundary described as follows:

BEGINNING at a point 2000 feet north of the southern boundary of Sec. 36, T. 7 N., R. 5 E., and 500 feet west of the eastern boundary of said Sec. 36, T. 7 N., R. 5 E., and extending easterly parallel with and 2000 feet north of the common boundary of Townships 6N. and 7N. (center line of highway designated Main Street, Elk Grove, California) to a point 200 feet west of the eastern boundary of Sec. 31, T. 7 N., R. 6 E; thence southerly paralleling section lines to a point 1500 feet south of the common boundary of Townships 6 N. and 7 N; thence westerly paralleling said township line to a point 500 feet west of the eastern boundary of Sec. 1, T. 6 N., R. 5 E; thence northerly paralleling section lines to the point of beginning.

(3) Withdraw the service provided in Exchange Service Schedule designated No. A-1 now on file with the Railroad Commission of the State of California and cancel the rates therein.

IT IS HEREBY FURTHER ORDERED that Elk Grove Telephone Company be and it hereby is authorized to submit for filing on or before February 15, 1928,

(1) Schedules of rates designated Exchange Service Schedules A-2, A-4, A-5 and A-6, as set forth in Exhibit "A," attached hereto, superseding, respectively, similarly numbered schedules now on file with the Railroad Commission of the State

of California.

(2) Map showing its primary rate area with boundary as described above.

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 9<sup>th</sup> day of January, 1928.

Leon Whittell

C. Seaver

Thos B. Lovett

M. J. King

Commissioners.

MP

EXHIBIT "A"

EXCHANGE SERVICE SCHEDULE NO. A-2.

GENERAL SERVICE.

ELK GROVE:

Applicable to individual and party line service within the primary rate area of the Elk Grove Exchange.

RATE:

Rate per Station per Month

|                                  | <u>Business Service</u> |          | <u>Residence Service</u> |          |
|----------------------------------|-------------------------|----------|--------------------------|----------|
|                                  | Wall Set                | Desk Set | Wall Set                 | Desk Set |
| Individual Line                  | \$3.00                  | \$3.25   | \$2.25                   | \$2.50   |
| Two party Line                   | 2.50                    | 2.75     | 2.00                     | 2.25     |
| Six party Line                   | -                       | -        | 1.50                     | 1.75     |
| Extension (with or without bell) | 1.00                    | 1.25     | .75                      | 1.00     |

CONDITIONS:

(1) Individual and two-party line services will be provided outside the primary rate area and within the exchange area at the above rates plus mileage rates.

(2) Extension equipment furnished at the above rates will be installed upon the same premises as the primary station.

EXCHANGE SERVICE SCHEDULE NO. A-4.

MILEAGE RATES:

Applicable to individual and two party line service furnished outside the primary rate area and within the Exchange Area of the Elk Grove Exchange.

RATE:

Rate per  $\frac{1}{4}$  mile or fraction per month

|                                      |         |
|--------------------------------------|---------|
| Each individual line primary station | \$ 0.50 |
| Each two party line primary station  | .35     |

CONDITIONS:

- (1) The above rates are based on the air-line distance measured between the subscriber's primary station and the nearest point on the boundary of the primary rate area.
- (2) The charge for service under the above rates is in addition to the regular flat rate charges.

EXCHANGE SERVICE SCHEDULE No. A-5SUBSCRIBER-OWNED RURAL SERVICE:

Applicable to subscriber-owned rural party-line service outside the primary rate area of the Elk Grove Exchange.

RATE:

|                    | <u>Rate per Station per Month</u> |                          |
|--------------------|-----------------------------------|--------------------------|
|                    | <u>Business Service</u>           | <u>Residence Service</u> |
| Party-Line Service | \$1.75                            | \$1.25                   |

CONDITIONS:

The Company furnishes switchboard and all facilities to the boundary of the primary rate area. The subscriber furnishes facilities from the boundary of the primary rate area to the subscriber's premises, also complete station installation, telephone instrument and initial batteries.

The Company maintains all lines and equipment.

Service under this schedule will be provided for a minimum of one subscriber per each two miles or major fraction thereof of circuit, measured along the route of the line, but in no case for less than two subscribers per line circuit.



EXCHANGE SERVICE SCHEDULE No. A-6.SUBURBAN SERVICE:

Applicable to suburban party-line service within the suburban area of the Elk Grove Exchange.

RATE:

|                  | Rate per Station per Month |                 |                          |                 |
|------------------|----------------------------|-----------------|--------------------------|-----------------|
|                  | <u>Business Service</u>    |                 | <u>Residence Service</u> |                 |
|                  | <u>Wall Set</u>            | <u>Desk Set</u> | <u>Wall Set</u>          | <u>Desk Set</u> |
| Suburban Service | \$3.00                     | \$3.25          | \$2.50                   | \$2.75          |

CONDITIONS:

The Company installs, owns and maintains all lines and equipment necessary to furnish service.