

ORIGINAL

Decision No. 20924.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application
of THE MERQUIN TELEPHONE AND
ELECTRIC LIGHT COMPANY, a corp.,
for permission to increase rates.

Application No. 15305.

H. K. Landram, for Applicant.
J. J. Deuel, for California Farm
Bureau Federation.

BY THE COMMISSION:

O P I N I O N

In this application The Merquin Telephone and Electric Light Company, a corporation, hereinafter sometimes referred to as the applicant, requests the Railroad Commission to make its order authorizing an increase in its rates for telephone service at Stevinson, Merced County, California.

A public hearing was held in this matter before Examiner Satterwhite, at Turlock, on March 6, 1929.

Applicant renders exchange telephone service to some forty-two telephone stations in Stevinson, California, and vicinity, by means of a central office located in Stevinson. In addition to unlimited switching between telephone stations in the Stevinson area, patrons of the Company are provided with unlimited switching privileges with the Turlock Exchange subscribers of The Pacific Telephone and Telegraph Company without extra charge. Applicant proposes to increase the present rates of \$2.00 per month per station for residence telephone service and \$2.50 per month per station for business telephone service to \$2.75 and \$3.50, respectively.

Applicant submitted a statement of its operations showing that, during the year 1928, a deficit of \$242.58 was incurred. No appraisal of its telephone properties was submitted by the Company, but the statement was made that the original cost of the installation of said system was the sum of \$3,000.00. The evidence presented shows that, under the present rates, during the year ending December 31, 1929, a deficit of \$367.00 is to be expected, and further that, under the company's proposed rates, the bare operating expenses, including depreciation and taxes, will scarcely be earned. In fact the net operating income for the year even under these increased rates is estimated at only \$4.00. In view of this situation, it appears unnecessary for the Commission to make any finding of value for the purpose of this proceeding.

Some objections to an increase in rates for telephone service were made by subscribers present at the hearing. It was the opinion of certain subscribers who were heard that no increase in rates should be granted unless the service rendered at applicant's switchboard was improved and twenty-four hour service instituted. It appears from the testimony that it would be impracticable for applicant to render twenty-four hour continuous service under the existing conditions and that, in fact, continuation of the present service could not be expected for any length of time under the present rates.

Applicant asked at the hearing that the application be amended to permit the filing of a rate for desk set telephone service, rules and regulations governing telephone service, and a map of the territory served by its Stevinson central office which would exclude any portion of contiguous exchange areas, maps of which have already been filed with the Railroad Commission by other utilities.

O R D E R

The Merquin Telephone and Electric Light Company having applied to the Railroad Commission for permission to increase its rates for telephone service in its exchange at Stevinson, California, 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 applicant are unjust and unreasonable and that the petition in this proceeding should be granted. Basing its order on the foregoing findings of fact, and on other findings and statements of fact contained in the opinion which precedes this order,

IT IS HEREBY ORDERED that The Merquin Telephone and Electric Light Company shall:

1. Charge and collect rates for exchange telephone service in the Stevinson Exchange as set forth in Exhibit "A," attached hereto and made a part hereof, for service rendered on and after May first, 1929.
2. Submit for filing with the Railroad Commission on or before April 20, 1929, a schedule of rates for exchange telephone service as set forth in Exhibit "A" attached hereto.
3. Submit for filing with the Railroad Commission on or before April 20, 1929, a map showing the exchange area boundary of Stevinson Exchange described as follows:

Beginning at the confluence of the Merced and San Joaquin Rivers, thence in a northerly and easterly direction along the principal course of the Merced River to the point of intersection in Sec. 30 T. 6 S. R. 11 E., with a line parallel to and 500 feet east of the westerly boundary of said Section 30; thence in a southerly direction along a line parallel to and 500 feet east of the westerly boundary of R. 11 E., to the first point of intersection with Bear Creek, in Sec. 6, T. 8 S., R. 11 E.; thence in a northwesterly direction along Bear Creek to the point of intersection with the northerly boundary of T. 8 S, thence in a

westerly direction along the northerly boundary of T. 8 S., to the point of intersection with the San Joaquin River; thence in a westerly and northerly direction along the principal course of the San Joaquin River to the point of beginning.

4. Submit for filing with the Railroad Commission on or before April 20, 1929, rules and regulations governing telephone service in the Stevinson Exchange.

5. Cancel all schedules of rates for service in the Stevinson Exchange which are not included in Exhibit "A" attached hereto effective May first, 1929.

For all other purposes the effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 30th day of March, 1929.

Paul G. Lutz

W. J. Lutz

Frank J. Lutz

Leon A. Whittell

W. J. Lutz

Commissioners.

EXHIBIT "A"

EXCHANGE SERVICE SCHEDULE NO. A-1

PARTY LINE FLAT RATE SERVICE

SERVICE:

• Applicable to Party-line flat rate exchange telephone service in the Stevinson Exchange Area.

RATE:

<u>Grade of Service</u>	<u>Rate per Station per Month</u>			
	<u>Business Service</u>		<u>Residence Service</u>	
	<u>Desk Set</u>	<u>Wall Set</u>	<u>Desk Set</u>	<u>Wall Set</u>
Party-Line	\$3.75	\$3.50	\$3.00	\$2.75

CONDITIONS:

(1) Party-line service will be rendered within the Exchange Area. In no case will the total number of stations connected to one circuit exceed ten (10) stations.

(2) Under the above rates subscribers may receive unlimited switching with all exchange stations in the Turlock Exchange of The Pacific Telephone and Telegraph Company without additional charge.