

Decision No. 21161

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 LAKE COUNTY TELEPHONE ASSOCIATION,)
 a corporation, and NORTHERN)
 CALIFORNIA TELEPHONE COMPANY, a)
 corporation, for an order authoriz-)
 ing Lake County Telephone Associa-)
 tion to sell to Northern California)
 Telephone Company all of its tele-)
 phone property in and adjacent to)
 the town of Kelseyville, Lake)
 County, California, and Northern)
 California Telephone Company to pur-)
 chase and acquire the same, and to)
 publish, file and make effective)
 rates for exchange, inter-exchange)
 and telegraph service.)

Application No. 15518.

H. G. Crawford, for Lake County Telephone Association.

J. G. Marshall, for Northern California Telephone Company.

James A. Gunn, Jr., in propria persona.

BY THE COMMISSION:

O P I N I O N

In this proceeding the Railroad Commission is asked to enter its order (1) authorizing Lake County Telephone Association to sell its telephone property in and adjacent to Kelseyville, Lake County, California, to Northern California Telephone Company for the sum of \$3,895.00 plus the cost of additions and betterments which may be made between the period from August 1st, 1928 to such date as the property may be transferred; and, (2)

authorizing Lake County Telephone Association to withdraw from the telephone business in the territory covered by its system and authorizing Northern California Telephone Company to engage in telephone and telegraph business in said territory at exchange, inter-exchange and telegraph rates as set out in Exhibit "F" filed in this proceeding.

The Lake County Telephone Association is a corporation organized in 1908 under and by virtue of the laws of the State of California. It was organized as a non-profit corporation to furnish telephone service to its members. Subsequently, it inaugurated a ten cent toll charge and furnished telephone service to non-members, thereby becoming a public utility. At the time of its organization the association had some eighty members. The record shows that more than two thirds of the members, namely: sixty-one, have approved the sale of its properties and the dissolution of the corporation. It appears that there are at present eighty-three subscribers attached to this telephone system. However, the association owns only five subscribers' sets, the balance being owned by the subscribers. Applicant, the Northern California Telephone Company, has during the course of the hearing expressed its willingness to purchase from the subscribers the privately owned subscribers' sets.

F. H. Porter, formerly president of the Lake County Telephone Association and now a member of the committee appointed to sell the properties of the association and dissolve the same, testified that the principal reason for the sale of the properties was that the association did not have sufficient funds to carry on an adequate telephone service such as the people being served by the association are demanding. To give such service requires the complete rebuilding of the telephone system.

Testimony shows that the Lake County Telephone Association furnishes telephone service in the Kelseyville exchange area which includes Kelseyville and vicinity. It operates a magneto type of central office located in Kelseyville. The hours of service are from 8:00 A.M. to 8:00 P.M. on week days and from 8:00 A.M. to 10:00 A.M. on Sundays. Emergency night service is available by means of a special arrangement of switches and bells located in a private residence. Connection is had in Kelseyville with the toll lines of the Northern California Telephone Company, making available toll and telegraph service. The association owns all of the exchange lines except two farmer lines outside the city limits of Kelseyville. It appears that the condition of the lines is such that it is impossible to give good service. The switch-board has not been properly maintained and a good many of the lines are operated on the grounded basis and are subject to inductive troubles.

Henry C. Currier, an engineer employed by The Pacific Telephone and Telegraph Company, testified that he made an appraisal of the properties of Lake County Telephone Association and that, in his opinion, the present structural value of the properties is \$3,896.00. The principal items of property are a special Kellogg magneto fifty line switch-board, mounted on a locally constructed desk, 746 poles of which 458 are redwood, 4" by 4" from 10 feet to 30 feet long, and 114 are round fir poles, nearly all of Class F, from 10 feet to 30 feet long, 246 cross-arms, 33 anchors and guys, 89 single miles of line wire and five subscribers' stations and installations. The Northern California Telephone Company has agreed to pay for the properties \$3,895.00. It does

not in this proceeding ask permission to capitalize any of the purchase price through the issue of stock or evidences of indebtedness.

It is the plan of the Northern California Telephone Company to rebuild the entire system, obtain suitable quarters for the central office, replace the central office equipment with a modern magneto type of board and build a line to Konocti Bay. The total cost of the improvements is estimated at \$19,000.00. Applicant, Northern California Telephone Company, intends to establish a continuous 24 hour service with the same grades of service as are now furnished by the Northern California Telephone Company in exchanges of similar size.

The exchange rates which we believe that the Northern California Telephone Company should charge and collect in the Kelseyville exchange area, are set forth in Exhibit "A" attached hereto. The rates are substantially the same as the company is now charging at Monte Rio, Guerneville, Calistoga and Lakeport. No one appeared at the hearing to protest the filing of the new rates. While the rates herein fixed are somewhat higher than the rates now charged by the Lake County Telephone Association, it should be remembered that the Northern California Telephone Company will rebuild the entire telephone system and give a 24 hour telephone service.

Maps of the proposed primary rate area and the proposed exchange area appear in Exhibit number One.

During the hearing James A. Gunn, Jr. entered an appearance and stated that some of the lines of Lake County Telephone Association were for a short distance attached to poles owned by him.

H. C. Currier testified that he did not include such poles in his appraisal. The Lake County Telephone Association of course is not undertaking to sell any properties which it does not own. The rebuilding of the system may obviate the necessity of using poles owned by James A. Gunn, Jr.

ORDER

Lake County Telephone Association and the Northern California Telephone Company having requested an order authorizing the transfer of certain telephone properties from the former to the latter, and the former having asked permission to withdraw from telephone service and the latter to file certain rates, all as more fully set forth in the opinion which precedes this order, and this matter having been submitted and now being ready for decision;

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY FINDS AS A FACT that the interests of the public will be served by the granting of the application, as provided in this order, and basing its order on the foregoing finding of fact and such other findings of fact as are contained in the opinion which precedes this order, therefore:

IT IS HEREBY ORDERED as follows:-

- (1) Lake County Telephone Association may sell and transfer, on or before October 1, 1929, all

of its telephone properties described in this application to the Northern California Telephone Company for the sum of \$3,895.00 plus the cost of the additions and betterments from August 1, 1928 to the date of the transfer of the properties.

- (2) Upon the transfer of the said properties and their operation by the Northern California Telephone Company, the Lake County Telephone Association may withdraw from public utility telephone and telegraph business.
- (3) The Northern California Telephone Company shall, within thirty (30) days after the execution of the deed or instrument of conveyance under which it acquires and holds title to said properties, file with this Commission a certified copy of such deed or instrument of conveyance.
- (4) The authority herein granted to transfer the aforesaid properties is upon the condition that the consideration paid for such properties shall not be urged before the Railroad Commission of the State of California as a measure of the value of said properties for any purpose other than the transfer of said properties herein authorized.
- (5) Northern California Telephone Company may, on and after the date that it acquires the aforesaid properties, operate the same, and shall

establish rates for local exchange telephone service in the Kelseyville exchange, similar to those set forth in Exhibit "A" attached hereto, and such other exchange telephone rates as may be approved by the Commission, such rates to be filed within ten (10) days after the acquisition of the properties of Lake County Telephone Association and to become effective one (1) day after the filing of said rates.

- (6) Northern California Telephone Company shall file, within ten (10) days after the acquisition of the aforesaid properties, a map of the Kelseyville primary rate area similar to the map shown on page four of Exhibit number One, and a map of the Kelseyville exchange area similar to the map shown on page five of Exhibit number One. Also, rules and regulations governing the telephone service in said exchange area.
- (7) The authority herein granted, except as otherwise noted, will become effective twenty (20) days after the date hereof.

DATED at San Francisco, California, this 28th
day of May, 1929.

Thos D. Louth
Wm. L. ...
Leon ...
...
Commissioners.

EXHIBIT "A"
RATES

EXCHANGE SERVICE SCHEDULE NO. _____

INDIVIDUAL LINE AND PARTY LINE SERVICE

KELSEYVILLE

SERVICE:

Applicable to business individual line and two-party line flat rate service and residence individual line and party line flat rate service within the Primary Rate Area of the Kelseyville Exchange.

RATE:

Rate Per Month
Wall Set Desk Set

(1) Business Flat Rate Service:		
Each individual line station - - - -	\$ 2.75	\$ 3.00
Each two-party line station - - - -	2.25	2.50
Each extension station - - - - - - -	1.00	1.00
(2) Residence Flat Rate Service:		
Each individual line station - - - -	2.25	2.50
Each two-party line station - - - -	2.00	2.25
Each four-party line station - - - -	1.75	2.00
Each extension station without bell-	.50	.75
Each extension station with bell - -	.65	1.00

CONDITIONS:

(1) The individual and 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 stations at the above rates are installed on the premises in which the primary station is located.

EXCHANGE SERVICE SCHEDULE NO.

SUBURBAN SERVICE

KELSEYVILLE

SERVICE:

Applicable to Suburban Ten-party Line Flat Rate Service furnished in the Suburban Area of the Kelseyville Exchange.

RATE:

Rate Per Month
Wall Set Desk Set

(1) Business Flat Rate Service:

Each Ten-party Line Station:

Air line distance from Primary
Rate Area:

One Mile or less - - - - -	\$ 1.75	\$ 2.00
One to two miles - - - - -	2.00	2.25
Two to three miles - - - - -	2.25	2.50
Three to four miles - - - - -	2.50	2.75
Four to five miles - - - - -	2.75	3.00
Over five miles - - - - -	3.00	3.25
Each Extension Station, without bell	1.00	1.00

(2) Residence Flat Rate Service:

Each Ten-party Line Station:

Air line distance from Primary
Rate Area:

One mile or less - - - - -	1.75	2.00
One to two miles - - - - -	2.00	2.25
Two to three miles - - - - -	2.25	2.50
Three to four miles - - - - -	2.50	2.75
Four to five miles - - - - -	2.75	3.00
Over five miles - - - - -	3.00	3.25
Each Extension Station, without bell	.50	.75

CONDITIONS:

(1) Suburban service will be rendered outside the Primary Rate Area but within the Exchange Area. In no case will the total number of primary stations connected to one circuit exceed ten (10) stations.

(2) Extension stations at the above rates are installed on the same premises on which the primary station is located.

EXCHANGE SERVICE SCHEDULE NO. _____

FARMER LINE RATE

KELSEYVILLE

RATE:

Applicable to Farmer Line Service within the Suburban Area of the Kelseyville Exchange.

Exchange:	Rate Per Year	
	Each Residence Station	Each Business Station
Kelseyville - - - - -	\$ 6.00	\$ 12.00

CONDITIONS:

1. Farmer Line service is furnished outside the Primary Rate Area and normally within the Exchange Area. A farmer line station shall not be located within the Primary Rate Area. A farmer line shall not extend across an exchange area boundary except upon a foreign exchange basis as hereinafter provided.

2. The Company will provide, own and maintain all lines and facilities used to furnish farmer line service to the boundary of the primary rate area except where the city limits are beyond the boundary, in which case the lines and facilities extend to the boundary of the city limits.

3. The subscriber will provide, own and maintain all lines and facilities beyond the boundary of the primary rate area or city limits.

4. Farmer line service will be rendered to less than five subscribers; provided the total minimum exchange revenue of each circuit is not less than that of five residence stations.

CORRECTION

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

EXCHANGE SERVICE SCHEDULE NO. _____

FARMER LINE RATE

KELSEYVILLE

5. The following discount is applicable to the exchange service charges in all exchanges.

The subscriber will be allowed a discount of ten per cent (10%) on the charge for exchange service, if bill is paid at the Company's office during the first month of the year. New subscribers will be billed from the date of connection to the end of the year, and annually in advance thereafter. Initial bills rendered new subscribers will be subject to a ten per cent (10%) discount on the charge for exchange service, provided the bill is paid at the Company's office within thirty days after date of bill.

6. Foreign Exchange Farmer Line Service will be furnished from one exchange to a farmer line station located in the suburban area of a contiguous exchange under the following rates and conditions:

(a) The rate per station will be one and one-half times the farmer line rate applying in the exchange from which the service is furnished, but not less than \$6.00 per station per year.

(b) The Company has the right to cease to render telephone service to a subscriber or subscribers served by means of a privately owned line by disconnection of such privately owned line, if a fault on that privately owned line is causing interruption to service furnished to other subscribers not served by such privately owned line; and may refuse to reconnect such line until the fault shall have been repaired and the line placed in an operating condition.

(c) The above service will be furnished provided the line owned by the subscriber or subscribers is properly constructed and in an operating condition.

(d) Foreign Exchange Service will be furnished subject to the same conditions as to the use of the service by others than the subscriber and his representatives which are applicable in connection with other classes of subscriber's telephone service. Foreign Exchange Service will not be provided for public or semi-public use.

(e) The scope of local service for, and the toll rates to and from, stations connected for Foreign Exchange Service will be in accordance with the tariff provisions of the foreign exchange for the particular class of service.

(f) A farmer line may not be connected to more than one exchange. In the event that the farmer line is so connected, and upon failure, after notice to the subscribers of record on that line, to comply with the above provision, the Company then shall have the right to disconnect that line from any or all the exchanges to which it is connected.

EXCHANGE SERVICE SCHEDULE NO. _____

HAND TELEPHONE SET

KELSEYVILLE

SERVICE:

Applicable to Hand Set Stations furnished in connection with any grade of service in the Kelseyville Exchange.

RATE:

Each Hand Set Station, Desk Set Station rate plus \$0.25 per month.