

Decision No. 21242

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Lindsay Home Telephone & Telegraph Company, a corporation, for an Order authorizing a revision of its rates for telephone service.	Application No. 15505.
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Ernest Irwin, for Applicant, Lindsay
Home Telephone and Telegraph Company.

BY THE COMMISSION:

O P I N I O N

Lindsay Home Telephone and Telegraph Company, herein-
after referred to as applicant, requests an order of this Commis-
sion authorizing a general increase in rates.

A public hearing was held in this proceeding before
Examiner Satterwhite at Lindsay on June 18th, 1929, at which place
and time the matter was submitted for decision.

Applicant is engaged in furnishing telephone service in
the City of Lindsay and surrounding territory.

Applicant submitted an inventory and appraisal of its
properties as of January 1st, 1929, of \$100,248.00, based on Histor-
ical Cost. E. M. Blakeslee of the Commission's staff has checked
this inventory and appraisal and has estimated the Historical Cost
of the properties at \$95,826.00. The difference in the appraisals
results from a difference in the percentage of overheads employed.
The Commission's engineer has applied the percentages of overhead
construction costs heretofore approved by the Commission in ap-
praisals of other telephone properties and also used in a previous
appraisal of this Company's properties. Applicant did not present
any measures of value other than its Historical Cost appraisal. The

Annual Report, filed by applicant with the Commission shows a book value of \$108,247.00 as of December 31, 1928. The Commission's engineer, in addition to submitting an Historical Cost appraisal, estimated a Reproduction Cost New of \$105,920.00, and a Structural Value of \$84,715.00 as of January 1, 1929. He submitted in evidence a suggested Rate Base derived from his Historical Cost appraisal, plus Work in Progress and Estimated Additions and Betterments to June 30, 1929, to which was added an allowance for Materials and Supplies and Working Cash Capital. His suggested Rate Base, as shown by the evidence in this proceeding, is \$105,463. Estimates of Revenues and Expenses under present rates for the year 1929, as submitted by both the applicant and the Commission's engineer, were not greatly at variance. Applicant did not challenge the estimates made by Mr. Blakeslee, which showed present earnings of approximately 4.8% on his suggested Rate Base. From a consideration of all the elements of value presented and considering the operations and the conduct of the business in Lindsay, it is concluded that the value of the properties and working assets for rate making purposes for the period January 1, 1929, to December 31, 1929, is \$105,500.00.

It is estimated that operations for the year 1929, under the schedule of rates herein found reasonable and set forth in Exhibits "A" and "B", would result in a reasonable return.

Without doubt, applicant is entitled to some relief in the form of an advance in rates and the schedules of rates and charges found reasonable and established in the order following are calculated to enable the Company to provide an adequate and satisfactory telephone service and earn for it a fair rate of return on its investment.

A continuous service is rendered by the Company from a common battery switchboard and is generally satisfactory. Applicant has improved its suburban service by the introduction of divided ringing which results in subscribers hearing the signaling of not more than four other subscribers' stations on the line instead of a maximum of nine stations, as was the former practice. Two-party service is furnished on a full selective ringing basis and four-party service on a semi-selective basis. We believe that applicant's plans for future improvement in its four-party service should include the adoption of full-selective signaling of subscriber stations.

No evidence or testimony stands in the record of this proceeding in opposition to a general revision of telephone rates in Lindsay.

O R D E R

Lindsay Home Telephone and Telegraph Company having applied to the Railroad Commission of the State of California for an order authorizing it to revise its rates for telephone service, a public hearing having been held, the matter having been submitted and now being ready for decision,

The Railroad Commission hereby finds as a fact that the rates now charged by Lindsay Home Telephone and Telegraph Company for telephone service are unjust and unreasonable, in so far as they differ from the rates set forth in Exhibits "A" and "B", attached hereto, and basing its order on the foregoing finding of fact and on such other facts as are contained in the opinion preceding this order,

IT IS HEREBY ORDERED that Lindsay Home Telephone and Telegraph Company be and it is hereby authorized to make certain modifications in its operations and, effective as of August 1, 1929, may

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

(2) Cancel the schedules of rates designated Exchange Service Schedules A-1, A-4, A-5, A-6, A-7, A-13 and A-15, now on file with the Railroad Commission of the State of California.

IT IS HEREBY FURTHER ORDERED that Lindsay Home Telephone and Telegraph Company, effective as of the date on which it issues its telephone directory superseding the directory dated May, 1929, but not later than November 1st, 1929, shall

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

(2) Cancel the schedule of rates designated Exchange Service Schedule A-14, now on file with the Railroad Commission of the State of California.

IT IS HEREBY FURTHER ORDERED that Lindsay Home Telephone and Telegraph Company shall submit to the Railroad Commission of the State of California, for filing, on or before July 26, 1929, the schedules of rates contained in Exhibits "A" and "B" attached hereto.

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 3rd day of July, 1929.

C. C. Sawyer

James L. Smith

W. J. C.

Commissioners.

EXHIBIT "A"

EXCHANGE SERVICE - SCHEDULE NO. A-1SERVICE:

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

RATE:

<u>Grade of Service:</u>	<u>Rate per Station per Month</u>	
	<u>Business Service</u>	<u>Residence Service</u>
Each Individual Line Desk Set Station	\$3.75	\$3.00
Each Two-Party Line Desk Set Station	-	2.50
Each Four-Party Line Desk Set Station	2.75	2.25
Each Inside Extension Desk Set Station	*1.25	*1.00
Each Outside Extension Desk Set Station	*1.75	*1.50
Each Wall Set Station - desk set station rate less \$0.25 per month		
Each Hand Set Station - desk set station rate plus \$0.25 per month		

CONDITIONS:

(1) A discount of twenty-five cents will be allowed on each of the above rates, except those marked with an (*), if payment is received by the company on or before the tenth day of the current month.

(2) Individual and party line service will be provided outside the primary rate area and within the exchange area at the above rates plus mileage rates.

(3) Inside extension stations at the above rates are installed on the same premises as the primary station. Outside extension stations at the above rates are installed off the premises in which the primary station is located but on the same continuous property.

EXCHANGE SERVICE - SCHEDULE NO. A-4

MILEAGE RATES:

Applicable throughout the Exchange Area.

RATE:

(1) Within the Suburban Area:

<u>Service</u>	<u>Rate per Month per each one- quarter mile or fraction thereof</u>
Each individual line primary station,.....	\$0.50
Each private branch exchange trunk line,.....	.50
Each battery supply circuit,.....	.50
Each ringing power supply circuit,.....	.50
Each two-party line primary station,.....	.35
Each four-party line primary station,.....	.25

The above rates are based on the air line distance measured between the subscriber's primary station or private branch exchange switchboard and the nearest point on the boundary of the Primary Rate Area. These rates apply when the subscriber's instrumentalities are located outside the Primary Rate Area and are in addition to the other rates applying to these services.

(2) Outside Subscriber's Premises and within the Exchange Area.

Each Private Branch Exchange Station Line:

	<u>Rate per Month</u>
Each one-quarter mile or fraction thereof,...	\$0.50

The above rate applies to the circuit measurement between terminals of the line involved.

EXCHANGE SERVICE - SCHEDULE NO. A-5

SUBURBAN SERVICE:

Applicable to suburban Ten-Party Line flat rate service furnished in the Suburban Area of the Lindsay Exchange.

RATE:

	<u>Rate per Month per Station</u>	
	<u>Business Service</u>	<u>Residence Service</u>
Each Ten-Party Line Desk Set Station,	\$3.00	\$2.50
Each Wall Set Station - Desk Set Station Rate less \$0.25 per month.		
Each Hand Set Station - Desk Set Station Rate Plus \$0.25 per month.		

CONDITIONS:

(1) A discount of twenty-five cents will be allowed on each of the above rates if payment is received by the Company on or before the tenth day of the current month.

(2) Suburban service is furnished outside the Primary Rate Area but within the Exchange Area. In no case will the total number of stations connected to one circuit exceed ten stations.

EXCHANGE SERVICE - SCHEDULE NO. A-6.

FARMER LINE SERVICE:

Applicable to Farmer Line Service furnished outside the Primary Rate Area.

RATE:

Rate Per Station per Year.

Business Service - Residence Service

Farmer Line Service, each station \$9.00 \$6.00

MINIMUM CHARGE:

The minimum charge is \$30.00 per year per circuit.

CONDITIONS:

- (1) The Company installs, owns and maintains at its expense the necessary central office equipment and service, line facilities to the boundary of the primary rate area, one listing in the directory and a code ring card.
- (2) The subscriber installs, owns and maintains at his expense the necessary facilities from the Company line at the boundary of the primary rate area to the subscriber's instrument, complete telephone instrument and battery, and sub-station protection.
- (3) Rental for Farmer Line Service is payable annually in advance. New subscribers will be billed from the date of connection to the end of the year and annually in advance thereafter.
- (4) The above service will be furnished provided the line owned by the subscriber or subscribers is properly constructed and maintained in an operating condition.
- (5) Farmer Line Service will be furnished to lines as a whole only. It shall be the duty of the members of each farmer line to appoint or designate a secretary or manager for such line and no new member shall thereafter be connected to said line nor will the Company assign a number to a new member on such line except on written authority from such secretary or manager. Said secretary or manager shall also collect all charges for telephone service from the members of the farmer line if requested by the Company to do so, and the Company may elect to be relieved from the duty of collecting from each subscriber. In case the Company does not secure payment for each member on any line, service may be disconnected from the line as a whole.
- (6) A farmer line may not be connected to more than one exchange or to the lines or equipment of any other telephone system. In the event that the farmer line is so connected, and upon failure, after notice to the secretary or manager of that line, to comply with the above provisions, the Company shall then have the right to disconnect that line from the Lindsay Exchange.
- (7) Farmer Line Service will not be provided on any line unless each and every person having a telephone connected to the line subscribes for telephone service.

EXCHANGE SERVICE SCHEDULE NO. A-7.

PRIVATE BRANCH EXCHANGE.

Commercial and Hotel Unlimited Service:

Applicable to Commercial or Hotel Private Branch Exchange flat rate exchange service within the Primary Rate Area.

RATES:

(a) Switchboard Rate:

Each switchboard position with battery and ringing power supply circuits and switchboard telephone:

Rate per
Month.

Cordless type switchboard -
Capacity 3 trunk lines and 7 stations \$5.00

Cord type switchboard
30 lines or less 7.50
31 to 80 lines 12.00
Over 80 lines 15.00

(b) Trunk Rate:

Rate per
Month.

First both way trunk line \$5.50
Each additional both way trunk line 4.25

(c) STATION RATE:

Rate per
Month.

Each desk set station not located in hotel guest room \$1.25

Each desk set station, located in hotel guest room 1.00

Each wall set station, desk set station rate less \$0.25 per month

Each hand set station, desk set station plus \$0.25 per month

CONDITIONS:

(1) A discount of twenty-five cents will be allowed on the rate for first both-way trunk line if payment is received by the Company on or before the tenth day of the current month.

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

(3) Cordless type switchboards are provided with a standard desk station. One or two position cord type switchboards will be provided with a transmitter, attached to the switchboard and a detachable single head receiver. Switchboards will be provided in standard finish at time of installation.

(4) The above rates plus mileage rates are applicable to private branch exchange service provided outside the Primary Rate Area.

EXCHANGE SERVICE - SCHEDULE NO. A-7 (Cont'd)CONDITIONS: (Cont'd)

(5) Stations provided at the above rates are installed on the premises in which the switchboard is located. Stations will be provided off the premises in which the switchboard is located, at the above rates plus mileage, provided they are within one-half mile air line distance from the private branch exchange switchboard.

(6) Rooms in clubs let to members or guests of members only, for living quarters, are not considered as guest rooms entitled to hotel guest room rates for service.

EXCHANGE SERVICE - SCHEDULE NO. A-12.JOINT USER SERVICE:SERVICE:

Applicable to Joint User Service furnished throughout the Lindsay Exchange Area.

RATE:Rate per Month

Each Joint User Service in connection with:	
Business Flat Rate 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. The rate for joint user service is applicable and the service is furnished upon applications made by the subscriber as follows:

(a) Applications for the use of the subscriber's service by an individual, firm, company, or association occupying jointly or in part the premises in which the primary station is located. The subscriber's facilities or service are not to be extended outside 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 subscriber's service is discontinued or the joint user vacates the subscriber's premises or 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-13.PUBLIC PAY STATION SERVICE:

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

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. A-15.

SUPPLEMENTAL EQUIPMENT:

	<u>Rate per Month</u>
Ordinary extension bell,	\$0.25
Loud ringing extension bell,50

An installation charge will be made for either class of equipment, based on the labor and material necessary for installation.
Minimum Charge - - \$1.50.

	<u>Installation Charge</u>	<u>Rate per Month</u>
Switching Keys:		
Cam Lever Key,	\$1.50	\$0.25*
Four-party Type Key,	2.00	.50*

* Rate applies only when key is installed in addition to stations. If key is installed in lieu of a station or stations, the only charge is for installation and rental of the station or stations which the key replaces.

Cord exceeding six feet in length on desk telephone:

- (a) An installation charge of 10 cents per foot for all length in excess of six feet applies when a long cord is requested in connection with the initial installation of telephone service.
- (b) An installation charge of \$1.00 plus 10 cents for each foot in excess of six feet applies to each renewal of long cord and when long cord is requested subsequent to installation of the telephone.

Desk telephones are regularly furnished with six foot cords. Cords exceeding six feet in length will not be furnished with hand sets. No additional monthly rental is charge for the use of long cords.

EXHIBIT "B"

EXCHANGE SERVICE - SCHEDULE NO. A-14.

DIRECTORY LISTINGS:

Applicable to listings in the alphabetical section of the telephone directory of the Lindsay Home Telephone and Telegraph Company.

RATE:

	<u>Rate per Month</u>
(1) Primary Service Listing:	
Each individual line Primary Station, one listing	no charge
Each party line Primary Station, one listing	no charge
Each joint user Service, one listing	no charge
Each private branch Exchange System, one listing	no charge
(2) Additional listings and lines of Information:	
(a) Member of same firm or business, each listing	\$0.25
(b) Any individual residing at a residence, listed at the residence, each listing25
(c) Listing of guest of hotel, each listing25
(d) Any information in addition to a listing, each line25
(e) Additional listing for a subscriber whose name may be spelled in more than one way, each additional listing25

CONDITIONS:

(1) Orders for additional listings must be signed by the subscriber of record who becomes responsible for the charges therefor.

(2) 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 service of the subscriber is previously discontinued except that the additional listing charge will not be continued longer than six months after it has appeared in the directory and has been ordered discontinued.