

Decision No. 21710.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of T. H. DASSEL, doing business under the fictitious name and style of Morgan Hill Telephone Company, for an Order authorizing a revision of his rates for telephone service.

Application No. 15879.

ORIGINAL

Ernest Irwin, for Applicant.  
C. O. Edes, for Exchange Club  
of Morgan Hill.

BY THE COMMISSION:

O P I N I O N

In the above entitled proceeding T. H. Dassel, hereinafter referred to as Applicant, is requesting increased rates for telephone service in the Town of Morgan Hill and surrounding territory.

A public hearing was held in the Town of Morgan Hill by Examiner Williams on October 8, 1929, at which place and time the matter was submitted.

Applicant desires increased revenue which will enable him to furnish continuous twenty-four hour service. At present the switchboard is attended from 7 o'clock A.M. to 8 o'clock P.M. on week-days with further curtailment in hours of service on Sundays and national holidays. Service is available during the night hours only in case of an emergency, such as sickness, fire and calls for police protection.

Applicant's request is supported by the Exchange

Club of Morgan Hill which has submitted in evidence in this proceeding a petition said to be signed by ninety (90) per cent of the subscribers to the service urging the establishment of continuous twenty-four hour service. It is the understanding that the petition was circulated upon representation to the signers that the increase in rates necessary to give the service, as estimated by the owner of the company, was fifty-five (55) cents per month for farmer line service, fifty (50) cents per month for residence service and seventy-five (75) cents per month for business service.

A report of operations submitted by E. M. Blakeslee of the Commission's engineering staff sets forth estimated revenues and expenses, under present rates and hours of service, for a trial period April 1, 1929, to March 31, 1930, and showed a return of 4.29 per cent on a rate base of \$18,776.00. Ernest Irwin, engineer for applicant, adopted a somewhat later period, namely July 1, 1929, to June 30, 1930, and derived an estimate under present rates showing a return of 4.8 per cent on a rate base of \$18,858.00. From these figures it is apparent that applicant is entitled to some additional revenue even under the present conditions of operation.

Both the Commission's engineer and the company's engineer presented statements of estimated revenues and expenses predicated on the assumption of continuous twenty-four hour service and at rates substantially as represented to signers of the petition submitted by the Exchange Club. The company's witness obtained a figure for estimated return of 6.1 per cent for the period July 1, 1929, to June 30, 1930, on his rate base of \$18,858.00, while the estimate of the Commission's witness for the period April 1, 1929, to March 31, 1930, was 6.19 per cent on a rate base of \$18,860.00.

Although the return is slightly more than 6% on the invested capital, applicant is willing to provide twenty-four hour service under a reasonable schedule of rates calculated to produce this rate of return. It is possible that with extended hours of service others not now receiving service may be encouraged to become subscribers and the return thereby be somewhat increased.

Mr. Blakeslee suggested that the base rate area of Morgan Hill Exchange be changed from a circular form to one which could be located in the field and which would better conform to the requirements of the community. This witness also suggested that the present charge of \$1.00 for restoration of service temporarily disconnected be discontinued. It appears advisable that these changes be made and the order following will so provide.

No protest to the granting of applicant's request was made at the hearing and it appears that the public interest will

be furthered by the establishment of continuous twenty-four hour service and the authorization of the necessary increase in rates.

O R D E R

T. H. Dassel, doing business under the name and style of Morgan Hill Telephone Company, having requested an order of the Railroad Commission authorizing a revision of his rates for telephone service to enable him to provide extended hours of service, a public hearing having been held, the matter having been submitted and now ready for decision,

The Railroad Commission of the State of California hereby finds as a fact that the public interests require that T. H. Dassel establish and maintain continuous twenty-four hour telephone service in Morgan Hill; that the rates now charged are unjust and unreasonable for the service to be rendered; and, that the schedules of rates contained in Exhibit "A" attached hereto are just and reasonable rates.

Basing its order on the above findings of fact and on such facts as are contained in the Opinion preceding this Order,

IT IS HEREBY ORDERED that T. H. Dassel be and he hereby is authorized to make certain modifications in his operations and shall, effective January 1, 1930 :

(1) Establish and thereafter maintain continuous twenty-four (24) hour telephone service in the Morgan Hill Exchange.

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

(3) Establish the boundary of the base rate area of the Morgan Hill Exchange as shown on the map contained in

Exhibit No. 6, submitted at the hearing in this proceeding.

(4) Cancel the filing and withdraw provision (d) of Rule and Regulation No. A-3 now on file with the Railroad Commission of the State of California.

(5) Cancel all schedules of rates for exchange telephone service not included in Exhibit "A" attached hereto.

IT IS HEREBY FURTHER ORDERED that T. H. Dassel shall submit for filing, in the manner and form prescribed in General Order No. 68, on or before December 20, 1929 :

(a) Schedules of rates for exchange telephone service as set forth in Exhibit "A" attached hereto.

(b) Map showing the boundary of the base rate area of the Morgan Hill Exchange as shown on the map contained in Exhibit No. 6 submitted at the hearing in this proceeding.

IT IS HEREBY FURTHER ORDERED that T. H. Dassel may file and make effective such other just and reasonable rates, rules and regulations governing the furnishing of service by him as may be approved by 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 24th day of October, 1929.

Thos S. Lattin  
Chas. E. Lattin  
Ernest D. Lattin  
Leon A. Lattin  
W. J. Lattin  
 Commissioners.

EXHIBIT "A"  
SCHEDULE OF RATES.

EXCHANGE SERVICE - SCHEDULE NO. A-1GENERAL SERVICE:

Applicable to individual and party line flat rate service within the Base Rate Area of the Morgan Hill Exchange.

RATE:

<u>Class 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,	3.25	2.75
Each Four-party Line Desk Set Station,	-	2.50
Each Extension Desk Set Station,	1.00	1.00
Each Wall Set Station - Desk Set Station rate less \$0.25 per month.		

CONDITIONS:

(1) Individual and party line service will be provided outside the Base 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 same premises as the primary station.

EXCHANGE SERVICE - SCHEDULE NO. A-4MILEAGE RATES:

Applicable throughout the Exchange Area.

RATES:

(A) Within the Suburban Area.	Rate per Month per each one- quarter mile or <u>fraction thereof</u>
<u>Service.</u>	
Each individual line primary station	\$0.50
Each private branch exchange trunk line	.50
Each two-party line primary station	.35
Each four-party line primary station	.25

CONDITIONS:

(1) 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 Base Rate Area. These rates apply when the subscriber's instrumentalities are located outside the Base Rate Area and are in addition to the other rates applying to these services.

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

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

For stations located outside the premises on which the primary station or private branch exchange switchboard is located but within one-half mile air line distance

\$0.50 per  
station.

CONDITIONS:

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



EXCHANGE SERVICE - SCHEDULE NO. A-5SUBURBAN SERVICE:

Applicable to suburban ten-party line flat rate service furnished in the suburban area of the Morgan Hill Exchange.

RATE:

<u>Class of Service</u>	<u>Rate Per Month</u>	
	<u>Business Service</u>	<u>Residence Service</u>
Each Ten-party Line Desk Set Station,	\$3.75	\$3.25
Each Wall Set Station - Desk Set Station less \$0.25 per month.		

CONDITIONS:

(1) Suburban service is furnished outside the Base 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:RATE:Rate per Station per Year.

	<u>Business Service - Residence Service</u>	
Farmer Line Service, each Station	\$18.00	\$12.00

MINIMUM CHARGE:

The minimum charge is \$36.00 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 base 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 base 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 Morgan Hill 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-7PRIVATE BRANCH EXCHANGE SERVICE:

Applicable to commercial private branch exchange service within the Base Rate Area.

RATE: Rate Per Month

(a) Switchboard Rate:

Each cord type switchboard position with battery and ringing supply circuits and switchboard telephone, equipped for 15 lines, ....	\$3.00
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Additional switchboard equipment for each group of five lines or less,	.20
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(b) Trunk Rate:

First both-way trunk line, .....	4.50
Each additional both-way trunk line,	3.75

(c) Station Rate:

Each desk set station, .....	1.00
Each wall set station - Desk set station less \$0.25 per month,...	

CONDITIONS:

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

(2) Stations provided at the above rates are installed on the same premises on which the private branch exchange switchboard is located. Stations will be provided off the premises, but within the Exchange Area, at the above rates plus mileage rates, provided they are for the use of the subscriber.

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

Applicable to Joint User Service furnished throughout the Morgan Hill Exchange Area.

RATE:Rate per Month

Each Joint User Service in connection with:	
Business Flat Rate Service	\$1.00

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
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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-14.DIRECTORY LISTINGS:

Applicable to listings in the alphabetical section of the telephone directory of the Morgan Hill Telephone 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 listing .....	.25
(c) Listing of guest of hotel, each listing .....	.25
(d) Any information in addition to a listing, each line .....	.25
(e) Additional listing for a subscriber whose name may be spelled in more than one way, each additional listing .....	.25

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 been ordered discontinued.

EXCHANGE SERVICE - SCHEDULE No. A-15.SUPPLEMENTAL EQUIPMENT:

Rate for extra equipment requested by subscribers.

RATE:

	<u>Installation Charge</u>	<u>Rate per Month</u>
(1) Ordinary Extension Bell	\$1.25	\$0.25
(2) Loud Ringing Extension Gong	1.50	.35
(3) Installation or renewal of desk set cords exceeding 6 feet in length but not more than 10 feet.	1.00	-