

Decision No. 22487.**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Home Telephone Company of Etiwanda, a mutual association, for an order authorizing it to sell its telephone property and to retire from the telephone business and further authorizing Associated Telephone Company, Ltd., to purchase said property and render telephone service in the territory involved, and establishing rates therefor.

Application No. 16342.

Ernest Irwin, for applicants.

BY THE COMMISSION:

OPINION

Associated Telephone Company, Ltd., hereinafter referred to as the Associated Company, and Home Telephone Company of Etiwanda, hereinafter referred to as the Home Company, request, in this application, that the Railroad Commission authorize the transfer of certain telephone property from the latter to the former. The Associated Company further requests, in the event the transfer is authorized, that it be given permission to place in effect schedules of rates which will be just and reasonable for the service to be furnished. The Home Company desires to withdraw from public utility operation.

A public hearing was conducted in this proceeding by Examiner Williams at Etiwanda on April 22, 1930, at which place

and time the matter was submitted for decision.

The Home Company furnishes exchange telephone service to seventy-seven (77) stations in Etiwanda, San Bernardino County, and vicinity, under a uniform monthly rate of \$1.00 per station. The Home Company was organized in 1905 by a group of Etiwanda citizens as a mutual cooperative company. Additions have been built to its plant by applicants for service, until from a single wire connecting two points in Etiwanda, it has grown to cover a considerable area in this district. The revenue derived from operations of the Home Company has not been proportionate to the increase in the cost of conducting the business, and, although donations have been made by its members in addition to the payments of their regular charges for service, that company now faces an increasing indebtedness.

The Associated Company proposes to receive title to the telephone properties of the Home Company and its operative rights in the territory served by it for the consideration of (1) the assumption of the indebtedness of the Home Company as at the date of transfer, (2) the return to the Home Company of all salvage realized on telephone plant not used by the Associated Company in its operation of the plant and (3) the payment to each of the individual owners a reasonable amount for the title to his telephone instrument. At the time of the hearing, the indebtedness of the Home Company amounted to approximately \$860.00 and the testimony showed that, under continued operation by the Home Company, it was anticipated that this amount would be increased. No evidence was introduced showing the present value of the physical plant to be transferred or of the salvage to be realized by the seller

according to agreement. It was indicated, however, that the latter figure would be small. According to testimony of a witness for the Associated Company, the market price of telephone instruments such as were used by members of the Home Company varied from three to eight dollars, depending upon their condition.

As proof of the ability of officers of the Home Company, to negotiate a sale of the Home Company's property, this applicant filed, as Exhibit No. 3, a photostat of a resolution regularly passed by the membership of the Home Company in which authorization was given to the Board of Directors to sell the properties of the Home Company to the Associated Company. Written assent to the resolution was given by all members.

Ernest Irwin, testifying for the Associated Company, introduced in evidence a map showing the present exchange area served by the Home Company and a proposed primary rate area to be used in fixing rates for this area. In accordance with agreement made at the hearing the map of the exchange area boundary was subsequently amended to show a definite closed area. The Associated Company proposes to operate the telephone property of the Home Company as it exists and at the present rate until it is able to install an automatic central office and to replace or reconstruct the present outside plant and station equipment so as to be in a position to render an improved, continuous twenty-four hour telephone service. The required reconstruction and installation can be completed within six months of the date of authorization of the transfer. Schedules of rates applicable to exchange telephone service under the proposed plan of operation were attached to the application in this proceeding. Toll telephone and telegraph

rates are not involved herein.

No objection to the granting of this application was made at the hearing.

A consideration of the evidence presented in this proceeding shows that the transfer of telephone property from the Home Company to the Associated Company, the abandonment of telephone service by the Home Company and the establishment of automatic exchange telephone service in this area by the Associated Company is in the interest of the public served.

O R D E R

Home Telephone Company of Etiwanda having made application to the Railroad Commission for authority to sell its telephone property and to retire from the telephone business, and Associated Telephone Company, Ltd., having asked for authority to purchase said property and to render exchange telephone service in the territory involved and to establish rates therefor, a public hearing having been held and the matter having been submitted for decision,

The Railroad Commission of the State of California hereby finds as a fact that the transfer of telephone property and the establishment of exchange telephone service, as requested, will be in the interests of the public 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) Home Telephone Company of Etiwanda is granted authority to sell and transfer all of its telephone properties located in Etiwanda, San Bernardino County, and vicinity, to

Associated Telephone Company, Limited, for the consideration as set out in the opinion preceding this order, and Associated Telephone Company, Limited, is authorized to purchase said properties on or before October 1, 1930.

(2) As of the date of the transfer of said properties and the beginning of their operation by Associated Telephone Company, Limited, the Home Telephone Company of Etiwanda shall discontinue public utility telephone service and rates for such service shall be withdrawn.

(3) Associated Telephone Company, Limited, 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 to transfer the aforesaid properties is granted 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 herein authorized.

(5) Associated Telephone Company, Limited, shall, on and after the date on which it acquires the aforesaid properties operate the same in a manner similar to that which has been followed by Home Telephone Company of Etiwanda and at a rate of One Dollar (\$1.00) per month per telephone station served, until further order from this Commission.

(6) Associated Telephone Company shall file not later than five (5) days before it acquires the aforesaid

properties the rate referred to in (5) above.

(7) After a satisfactory showing that it has completed the construction and installation work necessary to render automatic telephone exchange service in Etiwanda exchange, as set forth in this application, and upon supplemental order of the Railroad Commission, Associated Telephone Company may file and make effective (a) the rates for exchange telephone service as set forth in Exhibit "A" attached hereto and made a part hereof, and (b) a map showing the exchange area and primary rate area of Etiwanda exchange shown in Exhibit No. 7 filed in this proceeding as amended.

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 26¹⁵ day of May, 1930.

C. Leary
Leon Whitney
Paul D. Lewis
W. J. Lee
 Commissioners.

EXHIBIT "A"
EXCHANGE RATES

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

Applicable to individual and party line business and residence flat rate service within the base rate area of the Etiwanda exchange.

RATE:

<u>Grade of Service:</u>	<u>Rate Per Month</u>	
	<u>Business Service</u>	<u>Residence Service</u>
Each Individual Line Desk Set Station	\$4.00	\$3.25
Each Four-Party Line Desk Set Station	3.00	2.25
Each Inside Extension Desk Set Station	1.25*	1.25*
Each Outside Extension Desk Set Station	1.75*	1.75*
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. Individual and party line business and residence service will be provided outside the base rate area and within the exchange area at the above rates and mileage rates.
2. Inside extension stations at the above rates are installed in the premises in which the primary station is located.
3. Outside extensions at the above rates are installed outside the premises in which the primary station is located but on the same continuous property.
4. A discount of twenty-five cents (\$0.25) is allowed on all rates except those marked with an (*) if payment of entire bill for service is made on or before the 15th day of the current month.

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

Mileage rates applicable within the Etiwanda exchange area.

RATE:

	<u>Rate per each 1/4 mile or fraction thereof per month</u>
Each Individual Primary Station	\$0.50
Each Four-Party Line Primary Station	.25

EXCHANGE SERVICE - SCHEDULE NO. A-4 (Cont'd)

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 Base Rate Area. The rates are applicable to the service listed above when the subscriber's instrumentalities are located outside the Base Rate Area but within the exchange area in addition to the other rates applying to those services.

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

Applicable to suburban ten-party flat rate service furnished in the suburban area of the Etiwanda exchange.

<u>RATE:</u>	<u>Rate Per Month</u>	
	<u>Business Service</u>	<u>Residence Service</u>
<u>Grade of Service:</u>		
Each Ten-Party Line Desk Set Station	\$3.00	\$2.25
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. Suburban service is furnished outside the base rate area and within the exchange area. In no case will the total number of primary stations connected to one circuit exceed ten (10) stations.
2. A discount of \$0.25 is allowed on the rate for each primary station if payment of the entire bill is made on or before the 15th day of the current month.

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EXCHANGE SERVICE - SCHEDULE NO. A-11PUBLIC PAY STATION SERVICE - ETIWANDA

Applicable for service from Company's non-listed public telephone stations within the Etiwanda Exchange Area.

<u>RATE:</u>	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 requirements.

EXCHANGE SERVICE - SCHEDULE NO. A-13JOINT USER SERVICE - ETIWANDASERVICE:

Applicable to joint user service furnished within the Etiwanda Exchange area.

RATE:

Each joint user service in connection with flat rate
business service, per month - \$1.50

CONDITIONS:

1. The applicability of joint user service is determined by the obvious or actual use made of the service. The subscriber's facilities are not to be extended outside the premises in which the primary service is located to provide joint user service only.
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. Joint user service is applicable and is furnished upon application made by the subscriber as follows:
 - (a) Application for the use of the subscriber's service by any individual, firm, company, or association occupying jointly or in part the premises on which the primary service is located or the premises in which the subscriber's outside premises service is located.
 - (b) Application for the use of the subscriber's service for another business conducted separately by the subscriber and differing in character or name 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 listing is included in the telephone directory, it shall be paid for until the end of the directory period unless the joint user vacates the subscriber's premises or the subscriber's service is discontinued or the joint user becomes a subscriber to business service in the same exchange.
5. Joint user service is not available in connection with residence telephone service.

EXCHANGE SERVICE - SCHEDULE NO. A-14

DIRECTORY LISTINGS - ETIWANDA

SERVICE:

Applicable to listings in the alphabetical section of the telephone directory of the Etiwanda Exchange.

Listings in the alphabetical section of the telephone directory are intended solely for the purpose of identifying subscribers telephone numbers as an aid to the use of telephone service. Telephone directories remain the property of the telephone company and may be collected upon issuance of new directories.

RATE:

(1) Primary service listings:

Subscribers are entitled, without additional charge, to listings in the alphabetical section of the directory as follows:

Each Individual Line Primary Station	One Listing
Each Party Line Primary Station	One Listing
Each Joint User Service	One Listing
Each Private Branch Exchange System	One Listing
Each Intercommunicating System	One Listing

(2) Additional listings and lines of information: Rate Per Month

Each Business Listing	\$.25
Any Individual Residing at a Residence listed at the residence, each listing	.25
Listing of Guest of Hotel, each listing	.25
Reference to service of same Subscriber, each listing	.25
Reference to service of another Subscriber, each listing	.50
Other information in addition to a listing, each line	.25

CONDITIONS:

1. Business listings consist of a name, the address of the premises in which the primary station or private branch exchange switchboard is located, and the telephone number. A designation descriptive of the business or profession will be included, if the name does not indicate the nature of the business.

2. Business listings may be those of an individual engaged in a business or profession, names of firms or members thereof, the names of corporations or the officers thereof, the names of employees or departments and branches of the business. When an additional listing involves the name of a member of a firm or an office of a corporation, or a name of an employee, or department or branch of the same business, or a trade name, the listing shall include a reference to the name of the firm, company, or corporation subscribing to the telephone service and may include the same business designation as the primary service listing.

A trade name may be used as a listing when the business is conducted under that name, as may be evidenced by the fact that the telephone service is so subscribed for, or in the case of an extra listing, is authorized in writing by the proper authority.

3. All additional listings in connection with a subscriber's service, except night service or reference to the service of another subscriber, must bear the same address and telephone number as the primary listing except that additional listings in connection with private branch exchange stations and extension stations not located in the same premises as the primary station may show the address at which the station is located. Listings in connection with joint user service must bear the same address and telephone number as the listed service of the subscriber at the address at which joint user service is rendered.

4. Residence listings consist of a name, an abbreviation indicating "residence," the address of the premises at which service is furnished, and the telephone number.

5. Residence listings may be those of the subscriber or members of the subscriber's domestic establishment residing in the premises in which the subscriber's service is provided.

6. Residence listings of professional subscribers may indicate the same designations of title or profession as their business service listings. When professional subscribers are not subscribers to business service, the listings may include designations of title. Residence listings of clergymen, professors, military or naval officers may, for the purpose of identification, include designations of title.

7. The charges for additional listings begin with the day they are entered in the information records and when such listings are included in the directory they may not be discontinued until the end of the directory period unless the listed party or concern vacates the subscriber's premises or subscribes for service of the same class as furnished the subscriber or unless the subscriber's service is discontinued, or in the case of a guest listing, the listed party becomes a subscriber to residence service in his own name in the same exchange.

8. All applications for additional listings and lines of information shall be made by the subscriber or authorized agent.

9. Telephone numbers of public telephones will not be listed in the telephone directory.