

Decision No. 23190.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of VALLEY TELEPHONE COMPANY, a corporation, and SOUTHERN CALIFORNIA TELEPHONE COMPANY, a corporation, for an order authorizing Valley Telephone Company to sell to Southern California Telephone Company all of its telephone property in Imperial County, California, and Southern California Telephone Company to purchase and acquire the same, and to publish, file and make effective rates for exchange, interexchange and telegraph service.

Application No. 16874.

James G. Marshall, for Southern California Telephone Company.

A. E. Wright, for Valley Telephone Company.

BY THE COMMISSION:

O P I N I O N

In this proceeding the Railroad Commission is requested to enter its order authorizing Valley Telephone Company, hereinafter referred to as the Valley Company, to sell all of its telephone property in Imperial County, California, to Southern California Telephone Company, hereinafter referred to as the Southern Company, for the sum of \$23,000.00, plus the cost of additions which may be made between the period December 13, 1929, to the date of the transfer of the property and to withdraw from the telephone business in the territory served by its telephone system. The Commission is also asked to authorize the Southern Company to purchase and acquire the aforesaid property, to engage

in the telephone and telegraph business in said territory, at exchange, interexchange and telegraph rates set forth in Exhibit "F" attached to said application.

A hearing in this proceeding was held before Examiner Cannon in Holtville on November 19, 1930, and the matter was, at that time, taken under submission.

Valley Telephone Company was organized several years ago to acquire and operate the property of the East Side Telephone Association, which had been organized by the farmers of the community for self-service. The property of the No. 7 Water Company, in the south end of the district, also was incorporated in the project.

The territory served by the Valley Company is situated between the Alamo River on the west, except for the Holtville base rate area, and a line one-quarter mile east and parallel to the East High Line Canal on the east. The north boundary is the Third Standard and the south boundary is the United States-Mexico International Boundary. There are approximately 59 business concerns and 714 residences in the area with 30 business and 160 residence telephone subscribers. Valley Telephone Company has no central office but receives 24-hour switching service from the Holtville and Brawley exchanges of the Southern Company. The service received by telephone subscribers in this area is performed jointly by the Valley Company and the Southern Company. Generally such divided responsibility for exchange telephone service is not in the best interests of the public. Party line service only is available in this area.

A. E. Wright, owner of the Valley Company, stated that his reasons for wishing to retire from the telephone business were that he could not justify the further investment necessary to

keep his lines in service and that it was difficult to give good service under present conditions. In his opinion, the transfer price of \$23,000.00 agreed upon is reasonable.

V. E. Richards, engineer for the Southern Company, gave testimony relative to an inventory and appraisal submitted in evidence by him. In his opinion, a portion of the heavy pole leads are in good condition and other facilities, particularly line drops, need repairs. Some lines are grounded circuits which should be made metallic. The greater part of the telephone instruments are in fair condition. Mr. Richards' estimate of the structural value of the property, as of December 31, 1929, is \$24,138.00. If the requested transfer is authorized, the Southern Company will expend \$17,000.00 in rehabilitating the property. This, added to the purchase price of \$23,000.00, amounts to \$40,000.00 proposed to be expended for the Valley Company property and in improving its condition, and results in fixed capital charges of approximately \$200.00 per station, a relatively high level of investment. It is proposed to effect maintenance work by using the forces now available in the Holtville and Brawley exchanges. This plan is considerably better than the present arrangement which results in considerable delay in handling service complaints.

W. L. Kietzman, for the Southern Company, testified that the Valley Company had no map, of the territory which it serves, on file with the Railroad Commission nor had it filed its rates for service as required by General Order No. 68 of the Commission. Valley Company owns and maintains the circuits from the base rate area of either the Holtville or Brawley exchanges to the subscribers' premises, and the station installations and equipment. There are

thirty-six deviations from the regular rates which will be eliminated if the Southern Company is authorized to acquire this property. A few decreases in charges would result with the transfer of the property. It is proposed to offer one-party and two-party business service and one-party, two-party, four-party and ten-party residence service in the Valley Telephone Company exchange territory.

At the present time certain Valley Company subscribers, located in the north portion of this territory, are receiving switching service from the Brawley central office. It is proposed to add this section to the Brawley Exchange Area and the remainder to the Holtville Exchange Area. From the testimony of the several witnesses, it appears that the effect of granting this application will be, to eliminate deviations in service and rates, to result in compliance with the requirements and general orders of this Commission, to extend complete Brawley service to a section of Valley Telephone Company service area, to extend complete Holtville service to the remainder of Valley Telephone Company area, and, to unify the operating practices. No one appeared to protest the granting of the application. The record shows conclusively that improved telephone service should be furnished the public in the area now served by Valley Telephone Company if Southern California Telephone Company is authorized to purchase this property as requested.

O R D E R

Valley Telephone Company having requested the Railroad Commission for authority to sell its telephone property located in Imperial County, California, to Southern California Telephone Company and to withdraw from telephone business, and Southern

California Telephone Company having asked for an order authorizing it to purchase said property for Twenty-Three Thousand Dollars (\$23,000.00) and to furnish telephone service in the service area of Valley Telephone Company at rates and under conditions, all as more fully set forth in the opinion which precedes this order, a public hearing having been held, the 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 conserved by the granting of this application as provided, herein, 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) Valley Telephone Company is granted authority to sell and transfer, on or before September 1, 1931, all of its telephone property, particularly described in Exhibit "B" of the application herein, to Southern California Telephone Company for the sum of Twenty-three Thousand Dollars (\$23,000.00), plus the cost of additions and betterments from December 13, 1929, to the date of the transfer of the property.
- (2) As of the date of the transfer of said property and the beginning of its operation by Southern California Telephone Company, Valley Telephone Company shall discontinue public utility telephone business and withdraw rates therefor.
- (3) Southern 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 the aforesaid property, file with this Commission a certified copy of such deed or instrument of conveyance.
- (4) The authority to transfer the aforesaid property is granted upon the condition that the consideration paid for such property shall not be urged before the Railroad Commission of the State of California as a measure of the value of said property for any purpose other than the transfer herein authorized.
- (5) Southern California Telephone Company shall, on and after the date it acquires the aforesaid property

operate the service and make effective without deviations the rates for local exchange service in the Valley Telephone Company area as set forth in Exhibit "A", attached hereto, and such other exchange telephone rates and rules and regulations as may be approved by the Railroad Commission.

- (6) Southern California Telephone Company shall submit to the Railroad Commission for filing, not later than ten (10) days before it acquires the aforesaid property, the rates referred to in subdivision (5) above, maps of its Holtville and Brawley exchange areas as shown on Page 12 of its Exhibit No. 4, filed at the hearing in this proceeding, and rules and regulations governing telephone service in said areas.

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 16th day of December, 1930.

C. J. Scammon
Edward J. ...
Leon ...
...
W. H. ...
 Commissioners.

LV

EXHIBIT "A"

RATES

EXCHANGE SERVICE SCHEDULE No. A-1.

INDIVIDUAL AND PARTY LINE SERVICE.

HOLTVILLE

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 Base Rate Area of the Holtville Exchange.

RATE:

	Rate Per Month	
	Wall Set	Desk Set
(1) Business Flat Rate Service:		
Each Individual Line Station	\$2.50	\$2.75
Each Two-party Line Station	2.00	2.25
Each Extension Station	1.00	1.00
(2) Residence Flat Rate Service:		
Each Individual Line Station.....	\$2.00	\$2.25
Each Two-party Line Station.....	1.75	2.00
Each Four-party Line Station.....	1.50	1.75
Each Extension Station, without bell.	.50	.75
Each Extension Station, with bell....	.65	1.00

CONDITIONS:

1. Individual and party line services will be provided outside the Base Rate Area and within the Exchange Area at the above rates and 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. A-27.

SUBURBAN SERVICE.

HOLTVILLE

SERVICE:

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

RATE:

	Rate Per Month	
	Business Service Desk Set	Residence Service Desk Set
Each Primary Station.....	\$3.25	\$2.75
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.		
Each Extension Station, without bell:		
	Business Service	Residence Service
Wall Set.....	\$1.00	\$0.50
Desk Set.....	1.00	.75
Each hand set station--desk set station rate plus \$0.25 per month.		

CONDITIONS:

1. Suburban service will be rendered outside the Base 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. 4-15.

FARMER LINE SERVICE.

HOLTVILLE

SERVICE:

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

RATE:

	Rate Per Year	
	Residence Service	Business Service
Each Station.....	\$3.60	\$7.20

CONDITIONS:

1. Farmer Line service is furnished outside the Base Rate Area and normally within the Exchange Area. A farmer line station shall not be located within the Base 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 Base Rate Area except where the city limits are beyond this 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 Base Rate Area or city limits.

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

5. 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.

EXCHANGE SERVICE SCHEDULE NO. A-15 (Continued)FARMER LINE SERVICE.HOLTVILLECONDITIONS: (Continued)

(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 providing 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 other 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. A-21.MILEAGE RATES.HOLTVILLESERVICE:

Applicable to Mileage Rates within the Holtville Exchange Area.

RATE:

(1) Within Suburban Area:

Rate for Each
one-quarter mile
or fraction thereof
per month.

Service	
Each individual line primary station.....	\$0.50
Each private branch exchange trunk line.....	.50
Each battery 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 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. The rates are applied 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.

EXCHANGE SERVICE SCHEDULE NO. A-1INDIVIDUAL LINE AND PARTY LINE SERVICE.BRAWLEYSERVICE:

Applicable to business individual line and two-party line flat rate service and residence individual line and party line flat rate service within the Base Rate Area of the Brawley 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. Individual and party line services will be provided outside the Base Rate Area and within the Exchange Area at the above rates and 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. A-27.SUBURBAN SERVICE.BRAWLEYSERVICE:

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

RATE:

	Rate Per Month	
	Business Service Desk Set	Residence Service Desk Set
Each Primary Station.....	\$3.25	\$2.75
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.		
Each Extension Station, without bell:	Business Service	Residence Service
Wall Set.....	\$1.00	\$0.50
Desk Set.....	1.00	.75
Each hand set station--desk set station rate plus \$0.25 per month.		

CONDITIONS:

1. Suburban service will be rendered outside the Base 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. A-15.

FARMER LINE SERVICE.

BRAWLEY

SERVICE:

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

RATE:

	Rate Per Year	
	Residence Service	Business Service
Each Station.....	\$3.60	\$7.20

CONDITIONS:

1. Farmer Line service is furnished outside the Base Rate Area and normally within the Exchange Area. A farmer line station shall not be located within the Base 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 Base Rate Area except where the city limits are beyond this 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 Base Rate Area or city limits.
4. Farmer line service will be rendered to less than five subscribers, providing the total minimum exchange revenue of each circuit is not less than that of five residence stations.
5. 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.

EXCHANGE SERVICE SCHEDULE NO.A-15
(Continued)

FARMER LINE SERVICE.

BRATTLE

CONDITIONS: (Continued)

(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 providing 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 other 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. A-21

MILEAGE RATES.

BRAWLEY

SERVICE:

Applicable to Mileage Rates within the Brawley Exchange Area.

RATE:

(1) Within Suburban Area:

Rate for Each
one-quarter mile
or fraction thereof
per month

Service

Each individual line primary station.....	\$0.50
Each private branch exchange trunk line.....	.50
Each battery 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 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. The rates are applied 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.

EXCHANGE SERVICE SCHEDULE _____

OTHER SERVICES.

HOLTVILLE AND BRAWLEY

Other rates and charges as may be approved.