

Decision No. 23504 .

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of the SOUTHWESTERN HOME TELEPHONE COMPANY, a corporation, for certificate authorizing the establishment of separate rate or zone areas in the Yucaipa Valley, a part of applicant's present Redlands exchange area.

Application No. 17052.

- F. V. Rhodes, Vice President, and O. A. Prest, District Manager, for Southwestern Home Telephone Company, Applicant.
- H. R. Sheppard, for Yucaipa-Calimesa Chamber of Commerce, Interested Party.

BY THE COMMISSION:

O P I N I O N

In this proceeding, Southwestern Home Telephone Company seeks authority from the Railroad Commission to establish zone rate areas in the Yucaipa Valley section of its Redlands Exchange Area.

A public hearing in this application was held before Examiner Satterwhite, at Redlands, on February 26, 1931, when interested parties were given an opportunity to appear and be heard, and the matter was submitted for decision.

The town of Yucaipa is situated approximately seven air-line miles from the City of Redlands in which is located the central office from which telephone service is furnished to the Yucaipa and Calimesa districts.

It is proposed to install a modern, common battery, automatic central office in Yucaipa and to establish rate zones, rectangular in shape, with boundary lines located parallel to streets

and roads where possible.

Some objection was heard to the zones as proposed, it being claimed that circular zones of the size fixed in Redlands should be established at Yucaipa. This objection is not well founded for the reason that the boundaries of circular zones can not be located readily in the field, are difficult of administration, and the areas included in rate zones generally are dissimilar in different exchanges and vary in accordance with the size of the built-up sections of the exchange areas. Considering the business and residential development in Redlands and Yucaipa, it appears that the zone areas proposed for Yucaipa are quite liberal and should be acceptable. Applicant desires to make effective in the Yucaipa zones 1, 2, 3 and 4 the same rates now in effect in like numbered zones in the Redland central office district.

The Southwestern Company agrees to make no line extension charges to applicants for service in zones 1 and 2 if their applications, together with payment of service connection charges and first month's rental, are received not later than thirty days immediately prior to the establishment of the Yucaipa central office. Generally this line extension commitment extends to zone 3 with the reservation that in the event the extension of line necessary to render a service is deemed too costly to make free to such applicant, the regular line extension rule will apply, subject to review by the Railroad Commission upon request of the applicant for service.

The estimated expenditures for this project are \$34,553.72, revenues \$7,813.00 and expenses \$5,921.63, predicated upon the expectation of securing 140 new subscribers to the service and the retention of the present 68 subscribers. Apparently the return which may be expected from this proposal will be less than that received from other portions of applicant's system but may be justified on the basis of public convenience and necessity.

It is the general practice to establish toll rates for

service between communities separated as are Redlands and Yucaipa. In the present instance, especial conditions justify a departure from the usual method of meeting communication requirements and no intercommunity message rates will be made effective. The proposed method of service, with more than one primary or base rate area or multiple zones, with uniform base or zone rates, in an exchange area, when toll service is not required between the communities, is not a new practice with the Southwestern Company and other companies in California and should be approved in this instance..

### O R D E R

The Southwestern Home Telephone Company having made application to the Railroad Commission for authority to establish separate rate zones in the Yucaipa Valley section of its Redlands Exchange Area and to make effective certain exchange telephone rates therein, a public hearing having been held in the proceeding, the matter having been submitted for decision,

The Railroad Commission of the State of California hereby finds as a fact that public convenience and necessity require the establishment of rate zones in the Yucaipa Valley area and basing its order on the foregoing finding of fact and such other conclusions and findings of fact as appear in the opinion which precedes this order,

IT IS HEREBY ORDERED that Southwestern Home Telephone Company shall:

1. Establish and place in operation, within eight (8) months from and after the date of this order, an automatic central office at Yucaipa with continuous twenty-four (24) hour service in rate zones as shown on a map included in Applicant's Exhibit No. 1 filed at the hearing in this proceeding. -
2. Make effective in the Yucaipa rate zones, as of the date of the establishment of said central office, the Redlands

zone rates for similar service in like numbered  
Zones.

3. Submit to the Railroad Commission for filing maps showing Yucaipa rate zones as referred to in (1) above on or before the tenth day immediately preceding the date of the establishment of the Yucaipa central office.

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 11<sup>th</sup> day  
of March, 1931.

C. J. Seamy

Leon O'Connell

W. A. Cunniff

M. B. Harris

Fred G. Stewart

Commissioners.