

Decision No. 23598.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
SANTA BARBARA TELEPHONE COMPANY, a
corporation, for authority to adjust
and change rate schedules and service
and to increase rates in the Santa
Ynez Valley Exchange Area.

Application No. 17215.

Chickering and Gregory, by W. C. Fox, for
Santa Barbara Telephone Company.

BY THE COMMISSION:

O P I N I O N

Santa Barbara Telephone Company, operating a telephone system in Santa Barbara County, California, herein requests authority to rearrange its primary rate area and to increase rates in its Santa Ynez Exchange coincident with the establishment of improved service.

A public hearing in this application was held before Examiner Satterwhite at Solvang on March 18, 1931, when all interested parties were given an opportunity to make an appearance and be heard, and the matter was submitted for decision.

The Santa Ynez Exchange Area includes the territory known as the Santa Ynez Valley, in which are situated four small communities; namely, Santa Ynez, Los Olivos, Solvang and Buellton. Telephone service in this Valley is received by means of manual magneto equipment in a central office located in the town of Santa Ynez, where connection is made to toll lines for service to and from outside points. Base rates apply in a zone having a one-mile radius with the central office location as

the center. The territory has outgrown the present service arrangements and type of service. Applicant, cooperating with the citizens of the Valley and with the Telephone and Telegraph Engineer of the Commission, has completed a detailed study of the development of the Valley and its requirements for adequate telephone service and herein comes before the Commission for authority to proceed with the plans which have been formulated.

It is proposed to establish four base rate areas, one for each town, each with a one-mile radius and including the developed section. There will be established four zone areas, each of which will include a base rate area and some surrounding suburban territory. Mileage charges, in conjunction with individual, two-party and four-party line services, will be computed upon an air-line basis for the distance from the subscriber's station to the nearest point on the boundary of the base rate area of the zone in which the service is located. No interzone message charges will be established as the towns are small, the distances between them are short, only one central office is necessary, and the communication requirements of the citizens of the Valley are peculiarly the same. An automatic central office will be installed at Solvang, the wire center of the exchange area, where connection to toll lines to Santa Maria, Lompoc and Santa Barbara will be mechanically completed. Twenty-four hour continuous service will be available with full information and referred service. Coin-box service on the prepayment plan will be offered. Approximately 156 stations are in service in the Valley at this time. A petition filed at the hearing indicates that the present subscribers and approximately 39 applicants are desirous that the new service be

established and that the new rates be allowed.

There are eight grounded farmer line stations receiving service from the Santa Ynez Exchange in the proposed Santa Ynez rate zone. It will not be feasible to operate these stations on grounded lines with the automatic system. In the event these subscribers desire to continue service on the basis of owning and maintaining their lines and telephones, it will be necessary for them to metallicize such lines and in future properly maintain them. At present these facilities are in such a serious state of disrepair that good service can not be received over them. The record shows that representatives of the Company agreed to plan the reconstruction of these lines and to do the work at prices submitted to the owners and filed at the hearing. The Company is desirous of discontinuing all farmer line services; however, it appears that these present farmer line subscribers should be permitted to continue such service provided they reconstruct their lines and afterwards adequately maintain them. No farmer line service is in use in the other proposed zones, and future service of this nature in the Santa Ynez Exchange Area will be confined to the Santa Ynez Zone.

Mr. Sattler submitted figures showing that the fixed capital of the Santa Barbara Telephone Company, as shown by the books as of December 31, 1930, is \$2,748,616.48 and that for the twelve months' period ending December 31, 1930, the net earnings were \$185,303.51. The fixed capital of the Santa Ynez Exchange, as shown by the books as of January 31, 1931, is \$30,132.36, and it is estimated that the fixed capital of the exchange for the first year under automatic operation will be \$71,998.97. The net

income from the Santa Ynez Exchange for the year 1930 was a loss of \$150.19, and will be a loss of \$244.80 as estimated for the first year with the automatic system.

The present rates and services in which increases are requested and the proposed rates are as follows:

	Rate Per Month			
	Business Service		Residence Service	
	Present	Proposed	Present	Proposed
Individual line desk set station,	\$2.75	\$3.50	\$2.25	\$2.75
Two-party line desk set station,	2.25	3.00	-	-
Four-party line desk set station,	-	-	1.75	2.25
Semi-public coin-box service desk set station, minimum charge,	3.25	4.00	-	-

Each wall set primary station - desk set station rate less \$.25 per month.

These rates appear to be appropriate for the service contemplated and are comparable to those now effective elsewhere for similar service under similar conditions. No objection to the proposed increase in rates or change in conditions of service was heard. Some fear was expressed at the hearing that the name of the exchange was to be changed. The Company has made no proposal of such change, and none is required. Throughout its negotiations with the public in Santa Ynez Valley and in its proposal, the applicant has shown a commendable spirit in designing its proposed system to conform with the convenience and requirements of its present and expected customers.

O R D E R

Santa Barbara Telephone Company having made application to the Railroad Commission for authority to change its

telephone service operations and to increase certain rates effective in its Santa Ynez Exchange Area, a public hearing having been held, the matter having been taken under submission and being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY BINDS AS A FACT that Santa Barbara Telephone Company should change its Santa Ynez Exchange from manual magneto to automatic operation and that the present rates in effect for telephone service therein would be unjust and unreasonable rates for telephone service under the proposed automatic operations, and that the proposed rates set forth in the opinion which precedes this order should be authorized and made effective with the establishment of the new system, and

Basing its order on the foregoing findings of fact and such other findings of fact and conclusions which appear in the opinion preceding this order,

IT IS HEREBY ORDERED that Santa Barbara Telephone Company, on or before October 1, 1931, shall replace its present manual magneto system with an automatic dial system, with twenty-four (24) hour continuous service.

IT IS HEREBY FURTHER ORDERED that Santa Barbara Telephone Company, after a showing to the Railroad Commission that it is ready to make available in its Santa Ynez Exchange

Area continuous automatic service as proposed, and, upon Supplemental Order by the Railroad Commission, may file and make effective rates for telephone service in its Santa Ynez Exchange Area as set forth in the opinion preceding this order.

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 13th day of April, 1931.

Ch. Sweeney
Leon Whittell
W. J. Linn
W. B. Harris
Jos. G. Stewart
Commissioners.