

**ORIGINAL**Decision No. 24602.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of  
THE PACIFIC TELEPHONE AND TELEGRAPH  
COMPANY, a corporation, for permis-  
sion to publish, file and place in  
effect rates for exchange, inter-  
exchange, and telegraph service at  
Millbrae, San Mateo County,  
California.

Application No. 18128.

James G. Marshall, for applicant.  
C. C. Brown, for Millbrae Highlands Civic Club.  
E. E. Phillips, in propria persona and for  
Millbrae Progressive Association.  
W. G. Greene, in propria persona.  
R. I. McLellan, for Burlingame Chamber of  
Commerce Merchants Committee.  
Henry L. Somers, in propria persona.

BY THE COMMISSION:

O P I N I O N

In this proceeding The Pacific Telephone and Telegraph Company, for convenience herein sometimes termed the Pacific Company, requests authority to publish, file and place in effect rates for exchange and interexchange telephone and telegraph service in a separate telephone exchange at Millbrae.

After interested parties had been given due notice thereof, by publication and mailing notice, a public hearing was held at Millbrae on May 26, 1932, by Examiner Johnson. Upon request by protestants, an adjourned hearing was held in San Francisco on June 1, 1932, when the matter was submitted for decision.

The Millbrae community, with approximately 1,000 population, is situated southeast of South San Francisco and

northeast of Burlingame. There is practically no development south and only sparse development north of the community. The 120 subscribers, with 137 services as of September 1, 1931, received telephone service from the San Mateo Exchange. Of a total of 44 business concerns in Millbrae, 30 are subscribers and of a total of 291 residences, 90 have telephone service, a telephone development which, considering the type of the community, appears to be subnormal.

Filed with the application were maps, showing the exchange and base rate areas of the proposed exchange, and schedules of rates for telephone and telegraph service. In Exhibit No. 1, submitted at the hearing by applicant, the proposed Millbrae exchange area was shown as somewhat larger than requested in the application as originally filed. It was requested that this be accepted as an amended Exhibit B of the application. The added area is a small section of the South San Francisco exchange area contiguous to Millbrae and at present is without any telephones in service.

Applicant filed at the hearing, as Exhibit No. 7, a table showing the monthly charges for telephone service to the subscribers of the Millbrae area, as of October 1, 1931, under the present rates and service plan and those under the proposed rates and plan of service, assuming the actual usage. This study indicates that a few subscribers would receive increased bills, but the great majority should receive smaller bills, the net decrease in charges being \$195.82 per month under the proposed plan.

Telegraph rates, submitted in Exhibit No. 6 at the hearing, are those now effective in Millbrae and are materially lower than those set forth in Exhibit A of the application.

The charges for the higher grades of telephone service in Millbrae are considerably more than those for similar grades of service in San Mateo and Burlingame due to mileage charges applicable for air-line distances between the San Mateo base rate area and Millbrae. Evidence heard shows that many telephone users in the Millbrae community objected to the payment of these mileage charges and interested themselves in securing relief. Meetings of the interested public with representatives of the Pacific Company resulted in a conclusion that the establishment of a separate exchange at Millbrae would be the feasible way to secure the relief sought. A further showing was made that representatives of the Pacific Company interviewed the telephone subscribers in the Millbrae community and that cards were voluntarily signed by these subscribers applying for the transfer of 117 of the 137 services in the community to the new exchange, if and when the same is established. Two business men requested that the cards signed by them be withdrawn, stating that they had not read them. Applicant also submitted 54 application cards signed by present non-subscribers. Representatives of organizations in the community gave evidence of their desire for the establishment of the proposed exchange. There was also received a petition purported to be signed by residents and telephone subscribers of the Millbrae area protesting the granting of the application of the Pacific Company. No evidence was offered to show who circulated this petition or as to the explanations or arguments used in securing the signatures.

At the adjourned hearing on June 1, 1932, the Pacific Company representatives explained their procedure in securing the signatures on the cards which had been submitted as Exhibit No. 5.

Numerous business men and residents at Millbrae testified that it was their belief that a separate exchange at Millbrae would be in the best interests of the community. Only one protestant was present and his objection to the Millbrae exchange was withdrawn.

It is proposed to use dial equipment and to furnish information and referred service from the San Mateo Exchange, from which point toll calls also would be completed. For the first year under the proposed operation applicant estimates total revenue of \$10,900.00, expenses and deductions \$10,100.00, net revenue \$800.00 and a return of 1.21 per cent on average plant, equipment and working assets of \$66,000.00.

The rates proposed are similar to those effective elsewhere in California for twenty-four hour service and under similar conditions. It is noted that the proposed rate for station-to-station messages between Millbrae and San Mateo and between Millbrae and South San Francisco is five cents in each case and no change in the rate for messages from the Millbrae community to San Francisco is contemplated.

All interested parties have been given full opportunity to present evidence and arguments in favor of and in protest against the establishment of the proposed Millbrae Exchange. The record in this proceeding indicates that the great majority of the telephone-using public in Millbrae desires the proposed service. From an engineering viewpoint, there is no good reason why this change should not be made. Although the estimated return is low and the effect on the earnings in the proposed Millbrae Exchange and the San Mateo Exchange (of which the Millbrae area is now a part) will not be materially changed, there will be a tendency to

lower the average cost of service of San Mateo subscribers. We are of the opinion that an exchange at Millbrae should be established with rates for service as presented at the hearings and with exchange and base rate areas as shown on a map designated Exhibit No. 1 at the hearing.

O R D E R

The Pacific Telephone and Telegraph Company having made application to the Railroad Commission for authority to establish a separate telephone exchange at Millbrae, San Mateo County, and to make effective rates for exchange service therein and rates for interexchange and telegraph service between Millbrae and other points, a public hearing having been held in the proceeding, 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 public convenience and necessity require the establishment of a separate telephone exchange at Millbrae and basing its order on the foregoing finding of fact and such other findings of fact and conclusions as appear in the opinion which precedes this order;

IT IS HEREBY ORDERED that The Pacific Telephone and Telegraph Company shall:

- (1) Establish and place in operation, within seven (7) months from and after the date of this order, a dial telephone exchange at Millbrae, San Mateo County, with continuous twenty-four (24) hour service in an exchange area with a base rate area, both as shown on a map filed as Exhibit No. 1 at the hearing in this proceeding.
- (2) Establish rates, effective on and after the date of the establishment of the Millbrae Exchange, for local exchange service, interexchange telephone and telegraph service, as set forth in Exhibit "A" attached hereto and made a part hereof, and such other rates, rules and regulations as may be approved by the Railroad Commission.

- (3) Submit to the Railroad Commission for filing, maps showing exchange and base rate area boundaries, exchange telephone rates, interexchange and telegraph rates, and rules and regulations governing telephone service in Millbrae Exchange, as referred to in (1) and (2) above, on or before the tenth day immediately preceding the date of the establishment of said exchange.
- (4) Discontinue in the Millbrae exchange area, as of the date of the establishment of Millbrae Exchange, all San Mateo local exchange service except as the same may be furnished under Foreign Exchange Service schedules.

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 20<sup>th</sup> day of June, 1932.

W. H. Cunn  
Leon Whitney  
W. H. Cunn  
W. B. Lewis  
James G. Stewart  
Commissioners.

EXHIBIT A

EXCHANGE, INTEREXCHANGE

AND TELEGRAPH RATES

EXCHANGE SERVICE SCHEDULE NO. \_\_\_\_\_

INDIVIDUAL LINE AND PARTY LINE SERVICE

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 \_\_\_\_\_ 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, with or without 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 on which the primary station is located.



EXCHANGE SERVICE SCHEDULE NO. \_\_\_\_.

SUBURBAN SERVICE

SERVICE:

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

RATE:

	Rate per Month	
	Wall Set	Desk Set
(1) Business Flat Rate Service:		
Each ten-party line primary station.....	\$3.25	\$3.50
Each extension station, without bell.....	1.00	1.00
(2) Residence Flat Rate Service:		
Each ten-party line primary station.....	\$2.75	\$3.00
Each extension station, without bell.....	.50	.75

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. \_\_\_\_.

OTHER SERVICES \_\_\_\_\_

Other rates and charges as may be approved.

INTEREXCHANGE SERVICE SCHEDULE NO. \_\_\_\_.

RATES AND SERVICES

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Rates and services as approved.

TELEGRAPH SERVICE SCHEDULE NO. \_\_\_\_.

RATES AND SERVICES \_\_\_\_\_

Rates and services as approved.