

Decision No. 25181.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of INTERSTATE TELEGRAPH COMPANY, a corporation, for authorization to discontinue and abandon a telephone exchange and exchange service in the Town of Keeler, Inyo County, California, and to provide as a substitute therefor general telephone toll service and to make applicable and effective rates for telephone toll service in said Keeler territory.

Application No. 18240

ORIGINAL

In the Matter of the Joint Application of MARY LEE HESS, doing business as the Keeler-Darwin Telephone Line, and INTERSTATE TELEGRAPH COMPANY, a corporation, for an order authorizing the leasing of the property of a public utility.

Application No. 18370

James S. Brusstar and H. M. Hammack for
Interstate Telegraph Company.

H. M. Hammack for Mary Lee Hess.

BY THE COMMISSION:

O P I N I O N

Interstate Telegraph Company, a corporation, operating a telephone and telegraph system in Mono, Inyo, Kern and San Bernardino Counties in California and elsewhere, petitioner in Application No. 18240, requests authority to discontinue exchange telephone service operations in the Town of Keeler, Inyo County, and to substitute therefor general toll telephone service by means of toll stations only.

In Application No. 18370 Mary Lee Hess, under the name of Keeler-Darwin Line, furnishing telephone service between the Towns of Keeler and Darwin, Inyo County, requests authority to discontinue public utility telephone service and to lease her telephone property to Interstate Telegraph Company, and Mary Lee Hess and Interstate Telegraph Company jointly request approval by the Railroad Commission of a certain lease agreement between said parties.

These applications were consolidated for the hearing conducted by Examiner Fry in Keeler on September 1, 1932, when the matters were submitted for decision.

James S. Brusstar, General Superintendent of the Interstate Telegraph Company, testified that the magneto switchboard in Keeler is operated on an agency basis, that service is provided for eight hours on week days and one hour only on Sundays and holidays, and that seven company-owned telephone stations, four farmer line stations and the Keeler-Darwin toll line are connected to the Keeler switchboard. It is proposed to furnish all telephone service in the area on a twenty-four hour toll basis from the toll center at Bishop via Lone Pine. Interstate Telegraph Company desires to lease the Keeler-Darwin Line and to establish three toll stations to replace the present three Keeler-Darwin toll stations. At the present time Cerro Gordo Mine has four telephones on its privately-owned grounded line which is connected to the Keeler switchboard and pays \$6.00 per month for exchange service under the farmer line rate schedule. Applicant does not propose to connect this line to the Keeler-Lone Pine toll line when Keeler exchange service is discontinued as such an arrangement would impair the transmission from all toll stations on

the line. Mr. Brusstar suggested that Cerro Gordo Mine operate its line on a private line basis with a terminal in some place of business or residence in Keeler so that emergency calls from the mine could be received there and which could be relayed over the Interstate toll line. The \$6.00 per month saved by the elimination of the Keeler exchange charges should more than pay the expense of the Keeler terminal. As an alternate arrangement the Cerro Gordo Mine, after metallicising its line and placing the same in proper condition for toll service, could secure toll stations permanently connected to the Keeler-Lone Pine toll line.

Thomas L. Chapman, representing Cerro Gordo Mine, objected to the discontinuance of the Mine's present switching arrangements at Keeler but did not take the position that his objection should interfere with the best interests of the general public in the Keeler community.

The present earnings of Interstate Telegraph Company in its Keeler territory are reported to be as follows for the period May, 1931, to April, 1932, inclusive:

Revenues

Exchange service revenues,.....	\$436.45
Tolls,.....	310.38
Telegrams,.....	43.06
Total,.....	\$789.89

Expenses

Maintenance,.....	\$293.83
Traffic,.....	567.13
Commercial,.....	100.22
Total,.....	\$961.18
Expenses greater than revenues,.....	\$171.29

Under the proposed conditions of service the revenues would be reduced to about \$565.00 per year. The operator-agent's salary and certain other expenses amounting to approximately \$480.00 would be eliminated and a net revenue of \$85.00 per year would result.

Interstate Telegraph Company has in effect throughout its system in California a uniform method of constructing toll rate schedules, the charges being determined in accordance with the air-line distances between toll stations. The toll rates which will be filed for the proposed toll stations in the Keeler territory will be in conformity with this practice and should be approved. In some instances this will result in reduced toll charges to some toll users in the Keeler territory.

No objection is made to the proposed lease which was filed at the hearing as Exhibit No.1. It must be understood, however, that the Interstate Telegraph Company will be held responsible for the character and the continuity of the toll service to and from the toll stations on the Keeler-Darwin line.

A summary of the principal points in these proposals shows that obsolete equipment will be eliminated, that availability of service will be extended to twenty-four-hour continuous service for all customers, that some reductions in toll bills to customers will result, that the operations at Keeler on a toll basis will result in a small net revenue instead of a loss as experienced under present operations, and that the service to Cerro Gordo Mine will be somewhat curtailed unless the Mine reconditions its line so that full service thereover may be justified.

We believe that the interests of the public generally in the Keeler territory will be best served if the requests in these applications are granted, and the order following will so provide:

O R D E R

Interstate Telegraph Company having applied to the Railroad Commission of the State of California for authority to discontinue exchange telephone service operations in the Town of Keeler, to substitute general toll telephone service therefor and to establish toll stations on the Keeler-Darwin line; Mary Lee Hess having requested authority to discontinue public utility telephone service; and Mary Lee Hess and Interstate Telegraph Company having jointly requested approval of the lease of certain property; these applications having been consolidated for hearing and decision, a public hearing having been held and the matters having been submitted and now being ready for decision,

The Railroad Commission of the State of California hereby finds as follows, to-wit:

- (1) Interstate Telegraph Company should be authorized to discontinue its exchange telephone service in the Town of Keeler and vicinity and to substitute therefor general toll telephone service and to establish toll stations on the Keeler-Darwin line.
- (2) Mary Lee Hess should be given authorization to discontinue public utility telephone service.
- (3) Mary Lee Hess and Interstate Telegraph Company should be authorized to execute a certain lease referred to in the opinion preceding this order.

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

IT IS HEREBY ORDERED that Interstate Telegraph Company be authorized to discontinue exchange telephone service in the

Keeler Exchange on or before March 31, 1933, and to substitute therefor general toll service with toll rates constructed on the basis of air-line distances generally effective in Interstate Telegraph Company territory, provided:

- (1) Toll stations in Keeler exchange area are established coincident with the discontinuance of exchange service in said area.
- (2) Toll stations in the area now served by Keeler-Darwin Line are established as of the date referred to in (1) above.
- (3) Exchange telephone rate schedules for service in Keeler Exchange area are withdrawn as of the date referred to in (1) above.
- (4) Toll rate schedules for toll stations referred to in (1) and (2) above are submitted to the Railroad Commission for filing on or before fifteen (15) days immediately preceding the date of the establishment of said toll stations.

IT IS HEREBY FURTHER ORDERED that May Lee Hess shall discontinue public utility telephone service and withdraw rate schedules therefor coincident with the establishment of toll stations on Keeler-Darwin line by Interstate Telegraph Company.

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 19th day of September, 1932.

C. J. [Signature]
Leon [Signature]
[Signature]
M. B. [Signature]
James G. [Signature]
Commissioners.