

Decision No. 10580.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the matter of the application of  
 Pomona Valley Telephone and Telegraph  
 Union for authority to increase rates  
 in its Chino Exchange.

Application No. 7589.

Carl E. Lorbeer for applicant.

BY THE COMMISSION:

O P I N I O N

In this application Pomona Valley Telephone and Telegraph Union, hereinafter referred to as the Company, seeks permission to increase certain rates at present in effect in its Chino exchange, as follows:

	<u>Present</u>	<u>Proposed</u>
Main line business wall telephone, per month,	\$ 2.50	\$ 3.00
Four-party line business wall telephone, per month.	1.50	2.00

No other rates are affected. Attached to the application is a petition signed by 56 subscribers for business service in the Chino exchange, which states that they desire an improvement in the present telephone system of the Company, and therefore consent, upon the completion of the installation of a modern common battery exchange in Chino, to an increase of fifty (50) cents per month in the present rate for telephone service. These subscribers, it is claimed, constitute the entire number which will be affected by the proposed change.

A public hearing was held in Pomona, on April 14, 1922 before Examiner Williams. At this time exhibits were introduced, showing that the total income from the Chino exchange for the year 1921 was the

sum of \$12,144.96 and expenses including taxes and depreciation, as shown by the Company's books, for the same period were \$13,200.07. These figures show that the exchange was operated at a loss of \$1,055.11. The net increase in income which will be produced by the application of the proposed rate will be approximately \$360.00, a sum much smaller than the claimed loss from operations during 1921.

The Pomona Valley Telephone and Telegraph Union operates exchanges in Pomona, Chino, Claremont, La Verne and San Dimas. The annual report of the Company for the year 1921 shows gross revenue of \$118,619.67, and expenses, including taxes and other deductions of \$104,619.67. It is evident, therefore, that although the exchange at Chino, according to the Company's claim, was operated at a loss, the operations of the Company as a whole yielded a return over and above all expenses.

Applicant's rates were revised by the Postmaster General during the period of Federal Control. At that time it appears from the testimony that the rates in the Chino exchange alone were not altered, owing to the fact that the equipment was magneto, and therefore considered to be out of date, whereas all of the other exchanges had common battery equipment.

The Company is now installing a common battery system in Chino, and asks at the present time to have the business rates increased as proposed in order to equalize them with the rates in the other "branch" exchanges at Claremont, La Verne and San Dimas. The residence rates are practically the same in each of these exchanges at the present time.

The Company offers free inter-exchange service at the present time between all of its exchanges. There is therefore available to all subscribers of the entire system precisely the same service. It was shown that although the granting of the present application will remove, in general, the differences now existing between the rates in

effect in the Chino exchange and the rates in effect in the exchanges at Claremont, La Verne, and San Dimas, the rates for similar service in the main and largest exchange, Pomona, will still be fifty (50) cents per month higher than in the so-called "branch" exchanges.

In order to remove the differences now existing in the business rates of the Company, at its branch exchanges the Commission is willing, at the present time, to grant this application. It appears, however, that inequalities will still exist which can only be removed by a general revision of rates. The Company has signified its intention of filing an application asking for such revision, and the Commission will wait a reasonable length of time for such an application to be filed. If an application is not filed, the Commission will then take such steps as may be necessary to bring this matter before it.

#### O R D E R

Pomona Valley Telephone and Telegraph Union, having applied to the Railroad Commission for permission to increase certain rates in its Chino exchange, a public hearing having been held, the Commission being fully apprised and it appearing that the application should be granted,

IT IS HEREBY ORDERED, that applicant be and hereby is authorized to file with the Railroad Commission and make effective the rates set forth in the opinion preceding this order,

Provided, that the authority herein granted shall not become effective until applicant shall have certified to this Commission that the conditions of the subscribers' petition, the completion of the installation and placing in operation of a modern common-battery telephone system for the Chino exchange, shall have been fulfilled.

Dated at San Francisco, California, this 14<sup>th</sup> day  
of June, 1922.

H. B. Hendricks

William Martin  
Charles H. Hovey

W. F. Lumsden  
Commissioners.