

ORIGINAL

Decision No. 1951

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BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of Valley Telephone Company for a certificate that public convenience and necessity require the construction and operation of a telephone system within the city of Holtville, California.

Application No. 1349

Haines and Haines for applicant. James T. Shaw, McPherrin & Nichols, and John G. Mott for protestant, Imperial Telephone Company.

EDGERTON, Commissioner.

OPINION

This is an application by Valley Telephone Company for a certificate that public convenience and necessity require and will require the exercise of rights and privileges by applicant in the incorporated city of Holtville under a franchise which has been applied for but not yet granted.

The Imperial Telephone Company has now the only telephone plant or service in the city of Holtville, and it appeared at the hearing, through its representatives, and protested against an invasion of its territory by applicant.

Applicant operates telephone lines, a part of which it owns, in territory adjacent to but outside of the city of Holtville. These lines were originally built to serve the purposes of an irrigation system, but have acquired subscribers whose use is that of the ordinary telephone subscriber.

The Imperial Telephone Company serves the territory within the city limits of Holtville exclusively and the lines of applicant connect with the lines of the Imperial Telephone Company at the city limits so that a subscriber of the applicant can telephone to any person in the city of Holtville having a telephone, through this connection, or such subscriber may telephone to the outside world over the long distance through the same connection. Subscribers of the city system can, of course, telephone to subscribers of applicant in the same way.

No evidence was introduced tending to show that the Imperial Telephone Company was not adequately serving the territory within the city limits of Holtville, nor that its rates were unreasonable, nor that in any respect it was failing in its duty to the public.

It was frankly stated by the president of applicant that there was no demand or need for two telephone systems in the city and that it was the expectation of applicant that if it was admitted into the city it would acquire as subscribers all of the people who use telephones. In other words, applicant expects to eliminate the Imperial Telephone Company's business in the city if it is allowed to enter.

The reason urged by applicant why a certificate should be granted is that at present the service rendered to its consumers through the connection at the city limits and over the system of the Imperial Telephone Company is not good service but that if it is allowed to establish a system of its own in the city that this service will be greatly improved.

Applicant contends that if allowed to operate a local exchange in Holtville better service will be given its subscribers outside of that city because they will have direct connection with applicant's switchboard to be established in the city. This contention could only be sustained if the

complete installation of applicant inside and outside of the city was better and more efficient than the present combination of applicant's plant outside and protestant's plant inside of the city.

There is some conflict in the evidence as to what is the cause of the poor service over applicant's lines. Its witnesses insist that this poor service results from the character of the plant of the protestant. On the other hand, witnesses for protestant urge that the plant of applicant is inadequate and over-loaded and not well built, and that this is the cause of the poor service.

The evidence does not convince me that the building of a local exchange plant by applicant in the city of Holtville would obviate the present difficulties of service. In fact, it is easily possible that applicant's present plant is responsible for whatever poor service is rendered to subscribers. If this be true applicant should improve its present service rather than completely duplicate and parallel protestant's plant in the city.

No offer of better local service to the citizens of Holtville nor any decrease in rates is made by applicant. The evidence in this case does not present a situation which would justify the Commission in permitting applicant to invade the territory of the Imperial Telephone Company, duplicate its plant and either put it out of local business or itself fail to make a success of the venture.

I recommend that the application be denied and submit herewith the following form of order:

O R D E R

Application having been made by Valley Telephone Company for a certificate declaring that public convenience

and necessity require and will require the exercise of rights and privileges under a franchise applied for but not yet granted, and a public hearing having been had and it appearing to the Commission that for the reasons set out in the foregoing opinion said application should be denied,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that the application herein be and the same is hereby denied.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 23<sup>rd</sup> day of November, 1914.

H. S. Ireland  
J. G. Gordon  
Edwin O. Edgerton

Commissioners.