

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

Decision No. ✓

ORIGINAL

Decision No. 2245

In the matter of the application of C. M. Kirby for permission to sell, assign and transfer to The Pacific Telephone and Telegraph Company all right, title and interest in and to the telephone properties of said C. M. Kirby, located at Dixon, Solano County, California, and of The Pacific Telephone and Telegraph Company to purchase all right, title and interest in and to the said telephone property of said C. M. Kirby, located at Dixon, Solano County, California.

Application No. 1577.

James T. Shaw, for the Applicants.
H. D. Pillsbury,

C. M. Kirby, in propria persona.

DEVLIN, Commissioner.

O P I N I O N

The Dixon Mutual Telephone Company prior to the month of April, 1914, owned a system of telephone lines in the town of Dixon and nearby territory, Solano County, connecting with a central switchboard located in Dixon and operated by C. M. Kirby. This system was constructed and placed in operation a number of years ago by local people whose original purpose was to secure telephone service among themselves. Nominal rates were charged which in time proved to be insufficient to cover the cost of operation, and, as a result, the service was allowed to become inefficient and unsatisfactory. The Pacific Telephone and Telegraph Company is also operating an exchange in Dixon with lines serving the same territory which the local company's lines served, and, following certain negotiations between representatives of the two companies looking to a consolidation of the two systems, the local company's patrons were disconnected on April 1, 1914, from its switchboard and connected with The Pacific Company's exchange.

The application now before the Commission is for the purpose of securing the necessary Commission authorization to close the transaction by a sale and transfer of the property involved to The Pacific Company for the sum of Five Hundred (500.00) Dollars. The property which it is desired to transfer is briefly described in Exhibit "A" which is made a part of the application.

These two systems which were competitive in nature were placed in operation before the Public Utilities Act conferred jurisdiction in such cases upon the Railroad Commission. The consolidation, however, was effected after the Public Utilities Act, which provides that the Commission's permission to such transactions shall be obtained, became effective, and although there has been considerable delay in presenting the matter to the Commission for formal action, it appears that the delay has arisen as a result of some doubt on the part of representatives of the two companies as to whether the local company was operating as a public utility and, therefore, whether the case would properly come within the provisions of the Act, rather than through any desire to evade its provisions.

From Mr. Kirby's testimony, it appears that, except in two possible individual instances in which increases in rates over the rates formerly in effect by the Dixon Mutual Telephone Company resulted, the change has not resulted in higher rates being charged the patrons of that company, while in some instances the aggregate rates formerly charged have been reduced by the elimination of duplicate telephones which were formerly necessary with the two systems in operation. It has also brought about more adequate and more satisfactory service to the patrons of both companies and has resulted in relieving the local company of its responsibilities as a public utility, a result which it desired since it is without the means of adequately meeting those responsibilities.

With reference to the amount involved in the transfer of this property, while the Commission withholds its approval of this amount as a valuation of the property involved, it appears to be sufficient for the purposes of this proceeding. It appears further that the public interest will be subserved by the completion of this transfer and I shall recommend that the application be granted.

O R D E R

Application having been made by C. M. Kirby for permission to sell, assign and transfer to The Pacific Telephone and Telegraph Company, and by The Pacific Telephone and Telegraph Company to purchase all right, title and interest in and to the telephone property of said C. M. Kirby, located at Dixon, Solano County, California, as set forth in the preceding opinion, for the sum of Five Hundred (500.00) Dollars, and a hearing having been held, and no reasonable objection appearing, and it appearing to this Commission that the public necessity and convenience will be subserved thereby,

IT IS HEREBY ORDERED that the application herein be and it is hereby granted.

PROVIDED that the amount of Five Hundred (500.00) Dollars specified in the application to be paid for the transfer of this property is not to be taken by this Commission or other authority as a basis for rate making or other purposes.

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 19th day of March, 1916.

Max Shelen
Arthur Laid
Edwin J. Edgerton
Stanford

Commissioners.