

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
the Oleta Telephone Company for per-
mission to charge a fee for messages
sent over line of the Oleta Telephone
Company.

Application No. 1627.

Decision No. 2608

Chas. Bloom,
Joseph Pigeon, for the Applicant.

Jas. T. Shaw, for The Pacific Telephone
and Telegraph Company.

GORDON, Commissioner.

O P I N I O N

The Oleta Telephone Company, the applicant in this proceeding, purchased what is commonly known as a farmer telephone line from the Volcano Telephone Company in April, 1913. The line extends from Oleta, and the country district adjacent to Oleta, to Plymouth in Amador County, and is connected at the latter point with a central exchange which is owned and operated by The Pacific Telephone and Telegraph Company. The Oleta Telephone Company has no central exchange or switchboard of its own. There are now twenty telephones in use on the line, each receiving switching service through this connection with the Plymouth exchange for which The Pacific Company charges the rate ordinarily charged by it at all of its similar exchanges for farmer line service.

The Oleta Telephone Company is not an incorporated company. To all intents and purposes its members are subscribers of The Pacific Telephone and Telegraph Company, as fully entitled, under the rates which that company charges, to service with all other subscribers of the Plymouth exchange without the payment of any additional charge as they would be if they were located in Plymouth and were connected with that company's exchange lines. In other words, the rates which The Pacific

Telephone and Telegraph Company charges for their present service entitles them to the same Plymouth exchange switching privileges that all other Plymouth subscribers have.

In its application the Oleta Telephone Company asks the Commission to allow it to put into effect a charge of 15¢ for all calls originating and terminating on its own line, and a charge of 25¢ per call for all calls originating at any of its twenty stations and terminating at Plymouth, and a charge of 25¢ per call for all calls originating on The Pacific Telephone and Telegraph Company's lines and terminating on the applicant's line. The purpose of the applicant in desiring to make these charges, as stated at the hearing, is to provide revenue with which to help meet operating and maintenance charges and to enable it to collect from those who are not members of the company and who make use of the line for service which they now get without any compensation whatever to the company.

So far as operating and maintenance charges are concerned, it may be observed that not only in the case of this applicant, but also in the case of many other owners of farmer lines similarly owned and operated, the rates which its members pay for their service are presumed to be sufficiently lower than they would be required to pay for service of other classes in connection with which the company furnishing the service provides the necessary investment in equipment and bears the maintenance and operating charges, to fully offset those charges and to pay them interest on their investment. In other words, the difficulties with which this company believes itself to be confronted and which it is seeking to overcome by imposing an additional burden upon its members are presumed to be taken care of by the low rates afforded for farmer line service. As to the matter of the use

of its line by those who are not members of the company and who have contributed nothing toward the cost of the line, there is apparently nothing to prevent its members refusing the use of their telephones in such cases if they desire to do so.

The situation involved in this case is not an uncommon one in the experience of telephone companies of this character, but to grant permission to impose such charges in such cases would result not only in unjustly increasing the charges for telephone service, and in this particular case in denying the members of the applicant company the privileges to which The Pacific Company's present rates entitle them, but would also have the further effect of constituting each telephone connected with such lines a public telephone toll station at all times subject to public use regardless of location and regardless of the wishes of the party in whose premises the station may be located. The reasonableness of The Pacific Company's rates for this service are not at issue in this proceeding, but if they are proper rates for the service involved, to permit the former result would be unjust and unreasonable, and it is plain that this Commission cannot require private property to be devoted to the public use. I am accordingly of the opinion that this application should be denied and shall so recommend to the Commission.

I submit the following form of order.

O R D E R

Application having been made to this Commission by the Oleta Telephone Company, a former telephone company, for permission to charge certain rates for messages passing over its line to and from Plymouth, Amador County, and for all messages originating and terminating on its line, and a public hearing having been held, and it appearing to the Commission, as set forth in the preceding opinion, that said application should be denied,-

IT IS HEREBY ORDERED that the application herein be and it 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 16th day of July, 1915.

H. J. Loveland
Wm. G. Smith
Edwin O. Edgerton
Wm. P. Nelson
Commissioners.