

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

Stephen Goddard, et al.,

Complainants,

Vs.

The Pacific Telephone & Telegraph Company,
a corporation,

Defendant.

ORIGINAL
Case No. 929.
Decision No. 3366

Mrs. J. W. Hause, for Complainants.

James T. Shaw, for Defendant.

GORDON, Commissioner.

O P I N I O N

This is a complaint in which it is alleged that the rates charged by The Pacific Telephone and Telegraph Company for residence telephones within Howard Townsite, a section adjoining the southern portion of the City of Los Angeles, are exorbitant and discriminatory. The section referred to lies between Manchester Avenue and Ballona Avenue, outside of the incorporated city limits.

Telephone service in this district is provided by the defendant from its Los Angeles exchange, and the rates charged, except in a few instances, are the published rates which it has filed with the Railroad Commission. The particular classes of service involved in this case are what are known as "Four Party" and "Suburban Ten Party" residence service. North of Manchester Avenue, the rate for four party residence telephones is \$1.50 per month. South of Manchester Avenue and north of Ballona Avenue mileage charges are added to this rate at 25¢ for each quarter mile or fraction thereof. Between the City of Los Angeles and the City of San Pedro is a narrow strip of territory which has been annexed to the City of Los Angeles and which is known as the "Shoestring Strip". In this strip and between Manchester and Ballona Avenues, the four

party rate is \$2.50 per month. At all of the defendant's exchanges where this class of service is provided its rate schedules provide a mileage rate of 25% per quarter mile for service located outside of the boundary within which the base or minimum rate applies. Thus, in Howard Townsite subscribers having four party residence telephones are required to pay the minimum rate of \$1.50 per month, plus mileage charges at 25% for each quarter mile between Manchester Avenue and the premises where service is established, or they are required to pay the minimum rate effective within the "Shoestring Strip", plus similar mileage charges from the "Shoestring Strip" to their premises. If the minimum rate plus mileage charges computed from Manchester Avenue happens to be greater than the minimum rate plus mileage charges computed from the "Shoestring Strip", or vice versa, the subscriber is allowed the lower rate of the two.

In addition to "Four Party" and "Suburban Ten Party" service, subscribers have access also to one party and two party service at rates which are established therefor if they elect to take the better grades of service. "Suburban Ten Party" service is a class of service which is ordinarily provided for the outlying sections of an exchange for subscribers who cannot afford or who may not elect to pay the rates for the better grades of service. Mileage charges ordinarily are not added to suburban rates and, in the present instance, a subscriber can secure this class of residence service for \$2.50 regardless of how far he may reside beyond Manchester Avenue. It also happens in this instance that if a subscriber's premises were located within a mile or less from Manchester Avenue he would be required to pay the same rate for suburban service, \$2.50, whereas the rate for four party, a better grade of service, would be the same or less according to location.

This complaint arose chiefly out of an application which was filed with the defendant some time ago by Mrs. Emma G. Froelich, one of the complainants, for a transfer from suburban ten party to

four party residence service, the transfer having been refused except at a higher rate than she is now paying for suburban service. It is alleged that others in the immediate neighborhood have been provided with four party service by the defendant at rates lower than this complainant was asked to pay, and that she has thus been discriminated against. The Commission is accordingly asked to require such readjustment of the present rates within Howard Townsite as will afford all users of the defendant's service a rate of \$1.75 per month for four party service, or as will render available to all users a uniform flat monthly rate. The burden of the testimony of complainants supports the conclusion that the telephone company has in certain instances been charging rates other than those which under the Public Utilities Act the company should have charged.

Defendant maintains that the rate which complainant, Mrs. Freelich, is asked to pay for four party service is the lawful rate established by its schedules on file and of record with the Commission. It admits, however, that rates other than those filed as the lawful rates are being charged in eighteen individual instances, but states that these instances are the result of errors of its employees in computing mileage charges. It states further that in nine of these instances the errors were made in favor of the subscribers, the difference between the correct rates and the rates actually charged amounting to \$4.85; that in the other nine cases the errors, amounting to \$2.80, are in favor of the company, leaving a net difference of \$2.05 per month in favor of the subscribers as a result of these errors.

Apparently the chief complainant present at the hearing in this case feels that she has been unjustly singled out for discrimination by the defendant in that she has been refused a four party service at as low a rate as the defendant has allowed

to other users of the same service. It is clear, however, that the rate which she is asked to pay is the present lawful rate, and that to knowingly allow her a more favorable rate without allowing similar privileges to others would be in violation of the provisions of the law. Hence, unless it be established that the present lawful rates are unreasonably high, the complainant's petition that a uniformly lower rate be fixed must be denied.

With reference, however, to discrimination, the existence of which defendant admits but which it claims was unintentional, since the rates actually charged those subscribers in the instances in which errors have occurred are not the lawful rates now on file and of record with the Railroad Commission, I shall recommend that the company be ordered immediately to charge and collect from all its patrons in the district involved in this complaint the legal rates on file with the Commission.

O R D E R

Complaint alleging that exorbitant and discriminatory rates for telephone service within Howard Townsite, Los Angeles County, California, are now being charged its patrons by The Pacific Telephone and Telegraph Company, and a public hearing having been held, and the Commission finding that the company is not charging the rates on file with the Commission,

IT IS HEREBY ORDERED that the defendant herein, The Pacific Telephone and Telegraph Company, immediately charge and collect from its patrons for telephone service in Howard Townsite, Los Angeles County, California, the lawful telephone rates now on file and of record with this Commission.

AND IT IS HEREBY FURTHER ORDERED that in all other respects the complaint herein be and it is hereby dismissed without prejudice.

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 24th day of May, 1916.

Max Thelen

H. S. Howard

Wm. G. ...

Frank R. ...

Commissioners