

Decision No.           

ORIGINAL

Decision No. 3427

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application  
of INYO LIVESTOCK ASSOCIATION  
and INTERSTATE TELEGRAPH COMPANY  
for an order fixing rates on tele-  
phone and telegraphic messages of  
the former and fixing terminal  
charges for interchange of business  
between those applicants.

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) Application No. 2254.  
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Isaac B. Potter for applicants.

BY THE COMMISSION:

O P I N I O N.

INYO LIVESTOCK ASSOCIATION, a voluntary as-  
sociation of stock men organized for their mutual advan-  
tage and protection, owns a telephone line about 45 miles  
long in Inyo and Tulare counties, located principally in  
the Sierra Nevada mountains. It applies to have estab-  
lished a rate applying over its own lines only of 25¢ for  
telephone conversations of five minutes or less, and 25¢  
for each additional five minutes or fraction thereof,  
and a rate of 35¢ for similar periods for conversations  
between stations on its lines and stations on the lines

in Lone Pine, belonging to the Interstate Telegraph Company. Both applicants seek approval of an agreement between them by which Interstate Telegraph Company is to be paid a terminal charge of 6¢ on each telephone call or telegram passing over the lines of the association and originating or terminating at the Lone Pine exchange of the telegraph company.

The association's line was built in the spring of 1913. Certain members contributed \$1800, about \$200 of which was in labor, and the forest service of the government contributed \$800 in money and about \$400 in labor. There are nine instruments in service, of which six belong to the forest service and three to individuals on the line. It is planned to install and connect two additional instruments in the near future, each of which will require the building of about two miles of line. The so-called main line extends from Lone Pine through Tunnel Rangers Station to Monachee with a line from Tunnel Rangers Station to Kern River and one from Tunnel Rangers Station southerly about 10 miles. The line was jointly built with the understanding that the forest service for its official business should have the free use of the system, maintain and repair it, and pay half the salary of the only operator, located at Tunnel Rangers Station; and further that the arrangement may be terminated by either party in which event the line is to be divided, the association taking over the so-called main line from Lone Pine to Monachee and the forest service taking over the other lines. Because of the high altitudes and the storms and snows, the line is subject to considerable damage during the winter seasons and is operated usually

only from about June 15th to September 15th or October 1st, although service ended last year on September 4th. The cost of repairs each spring is about \$40. The salary of the operator is \$20 per month of which the association pays half. The low salary is made possible by the fact that the line requires only the incidental attention of the ranger's wife or an employee of the forest service. The forest service uses the line in connection with its work, particularly in the prevention of forest fires, and the line is used by stock men for communication with their stock camps in the mountains, and considerably by tourists camping or traveling in the vicinity. Heretofore the public has been allowed the free use of the line.

Messages passing over the line last season, exclusive of those relating to the forest service, would have produced the sum of \$69.15 if the rates applied for had been in effect at that time and no conversation had exceeded the minimum limit of five minutes, distributed as follows:

	<u>25¢ messages</u>	<u>35¢ messages</u>	<u>Total</u>
June 20 to July 21	8	53	61
July 21 to August 20	4	94	98
August 20 to September 4	<u>      </u>	<u>42</u>	<u>42</u>
	12	189	201

Applicants consider that rates for overtime periods, i.e. for conversations which may exceed the maximum time allowed for minimum rates, if based upon periods of one minute

as is the usual practice among telephone companies, would not be practicable for the service in question, largely because of the difficulty of accurately checking the time consumed. They urge a rate for overtime periods on the same basis as to time allowance that is proposed for the minimum or initial rates. In view of the limited facilities for checking the business and of the conditions existing in applicant's territory, we see no objection to the adoption of this method of computing overtime charges.

The Association proposes to establish a requirement that all connections between instruments on the association's lines shall be made through the operator, so that a check on conversations and proper charges may be made. Applicants believe such a requirement can be readily enforced, although stations on the association's lines can in fact communicate directly with each other without the aid of the operator.

Applicants agree that the terminal charge is to apply only to local calls between Lone Pine and stations on the association's lines. On long distance calls, the terminal charge will be absorbed in the toll rates so that the established toll charges of Interstate Telegraph Company will be maintained. When calls pass between stations located on the association's lines and stations located beyond Lone Pine, the 25¢ rate for the use of the association's lines will apply in addition to the established toll rates of the Interstate Telegraph Company or other connecting lines beyond Lone Pine. Interstate Telegraph Company estimates its cost of terminal service to be slightly in excess of 6¢.

A 10¢ terminal charge by the association for a service costing it 6¢ will be authorized only because of the particular conditions existing in its case, and the fact, which appears without a valuation of its property, that the probable return of less than 1% on the original investment by the association will not be compensatory.

The association does not seek to compete with Interstate Telegraph Company for business in Lone Pine. It has only one station within the exchange limits of the company's Lone Pine exchange, that being in the office of the forest ranger in Lone Pine. Free service is given this station for official business of the Forest Service in accordance with agreement with United States Department of Agriculture, Forest Service. Such free service to a branch of the government is authorized under section 17 of the Public Utilities Act by order applying to public utilities of the State in Case No. 293. (Vol. 2, Opinions and Orders of the Railroad Commission of the State of California, p. 73.)

O R D E R.

INYO LIVESTOCK ASSOCIATION having applied to the Railroad Commission of the State of California for authority to establish rates on telephone and telegraph messages passing over its lines, and it, with Interstate Telegraph Company, having applied for authority to establish a terminal charge for telephone calls or telegraph messages passing over the lines of said Inyo Livestock Association and originating or terminating upon the local lines of Interstate Telegraph Company at Lone Pine, and a public hearing having been held thereon,

IT IS HEREBY ORDERED that Inyo Livestock Association be and it is hereby authorized and empowered to establish a rate of 25¢ for telephone or telegraph messages between all stations on its lines except its station in the office of the forest ranger in Lone Pine; and a rate of 35¢ to or from all points on its lines for telephone or telegraph messages originating or terminating within the exchange limits of Interstate Telegraph Company at Lone Pine; said rates to apply to conversations of five minutes or less, and like rates to apply to each additional five minutes or fraction thereof; said Inyo Livestock Association to file a schedule of said rates, and its rules and regulations, with the Commission within thirty (30) days from the date hereof.

Inyo Livestock Association is authorized to pay and Interstate Telegraph Company is authorized to receive and collect a terminal charge of 6¢ for each telephone or telegraph message passing over the lines of Inyo Livestock Association and originating or terminating at any subscriber's station within the exchange limits of Interstate Telegraph Company's exchange at Lone Pine, except only the station in the office of the forest ranger in Lone Pine, when that station is used for the official business of the forest service.

IT IS HEREBY DECLARED that public convenience and necessity require that Inyo Livestock Association establish and maintain a subscriber's station in the office of the forest ranger of the United States Forestry Service, within the exchange limits of Interstate Telegraph Company's exchange at Lone Pine for the official business of the forest service but not elsewhere or for any other purposes within said exchange limits.

This order is made upon the following conditions and not otherwise, to-wit:

1. The authority herein granted to establish a schedule of rates shall not be considered or treated in any proceeding before this Commission or any other public authority as a finding by this Commission of actual value of any property described herein for rate fixing purposes or for any purposes other than those of the present application.

2. The only telephone station upon the lines of Inyo Livestock Association which may be established and maintained within the exchange limits of Interstate Telegraph Company's exchange at Lone Pine is the station in the office of the forest ranger of the United States Service located at Lone Pine.

Dated at San Francisco, California, this 16<sup>th</sup> day of June, 1916.

Max Thelen  
H. H. Hovland  
Alfred Gordon  
Edwin C. Edgerly

Commissioners.