

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application
of Los Gatos Telephone Company for
authority to establish rates for
suburban harmonic selective service.

ORIGINAL

Application No. 2546.

Decision No. 3878

J. O. Jensen, Secretary and Manager, and

George W. Turner, President, Los Gatos Telephone
Company, for the Applicant.

BY THE COMMISSION.

O P I N I O N

The applicant in this proceeding, Los Gatos Telephone Company, owns and operates a telephone system as a public utility in the town of Los Gatos, Santa Clara County, and is serving the surrounding country within a radius of about three miles. Within a radius of one mile from its central office, applicant provides one, two and four party service. Beyond the one mile radius, mileage charges are added for these classes of service, or patrons desiring cheaper service are provided with what is commonly known as "suburban" service.

The applicant's present suburban lines, of which there are eighteen, carry from seven to twelve subscribers per line. Of these there are twelve lines, two carrying twelve subscribers each, one carrying eleven subscribers, four carrying ten subscribers each, and five carrying nine subscribers each, an average of ten subscribers to each of these twelve lines. Of the remaining six lines, there are four which carry eight subscribers each and two which carry seven subscribers each, an average of $7\frac{2}{3}$ subscribers per line. The average subscribers per line for all present suburban lines is $9\frac{2}{9}$.

The present suburban lines are partly operated magneto and partly on a common battery basis with code ringing for subscribers' stations. On the magneto lines, all of the subscribers' bells on any line will ring whenever any station on that line is called, and on the common battery lines a portion of the subscribers' bells on a line will ring whenever any station on that particular line is called. This method of operation results in considerable inconvenience and annoyance to subscribers and to the service generally. Harmonic selective service is designed to do away with this inconvenience and annoyance. It is the latter service which applicant proposes to provide and for which authority to establish rates is sought.

The rates now in effect for the present magneto and common battery suburban service, either business or residence are \$5.00 per quarter for wall sets and \$6.50 per quarter for desk sets, less a discount of 10% for prompt payment. The rates proposed for the new service are \$2.50 per month for residence stations, wall sets, and \$3.00 per month for business stations, wall sets, with an additional charge of 25% per month for either residence or business stations if desk sets are desired instead of wall sets. If present suburban subscribers pay their bills within the time allowed for the 10% discount, their rate for either residence or business service is \$1.50 per month as compared with a rate of \$2.50 per month for the proposed service at the proposed rate for residence service and \$3.00 per month for the proposed service at the proposed rate for business service. If advantage of the discount privilege is not taken, the present rate for either residence or business service is \$5.00 per quarter as compared with \$7.50 for residence and \$9.00 for business telephones under the proposed plan. The proposed service, however, is a class of service not heretofore provided by the applicant. It is also a superior class of service in that the

maximum number of subscribers per line is to be limited to eight and that the method of ringing subscribers' stations is to be harmonic selective instead of the present code ringing.

Applicant testified that the institution of this new service and the establishment of the rates which are proposed will not result even indirectly in eliminating the present suburban service or in increasing the present suburban rates. It is the desire rather to make available for all who may desire it, both present and prospective patrons, a more desirable suburban service, and to allow all patrons the option of either class of service.

O R D E R

Application having been made to this Commission by Los Gatos Telephone Company, a public utility, for authority to establish eight party harmonic selective suburban service, in addition to the other classes of service which it now provides, for patrons located beyond a radius of one mile from its present central office and within the territory now served by its suburban lines, and to establish rates therefor as follows, viz.:-

Residence service, wall sets	-	\$2.50 per month
Business " " "	-	3.00 " "

For desk telephone sets when used in place of wall telephone sets, 25¢ per month in addition to above rates;

and a public hearing having been held, and no objection appearing;

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

PROVIDED that none of the service now provided and none of the rates now in effect within the territory served by this applicant will in any respect be altered by this authority.

PROVIDED FURTHER that the authority hereby granted shall not be regarded as an approval of the rates herein authorized, since the Commission has not passed upon their reasonableness.

This order shall become effective only upon the filing by Los Gatos Telephone Company with the Railroad Commission within sixty (60) days after date of a schedule of rates including the rates herein authorized.

Dated at San Francisco, California, this 15th day of November, 1916.

W. H. Howard
W. H. Gordon

James P. Herlihy

Commissioners.