

ORIGINAL

Decision No. 4454Decision No. 4454

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
Huntington Beach Company for permis-
sion to increase the rate for trunk
line telephone service to Holly Sugar
Corporation.

Application No. 2803.

H. V. Anderson, for Petitioner.

A. M. O'Brien, for Holly Sugar Corporation.

BY THE COMMISSION.

OPINION

Huntington Beach Company, the petitioner in this proceeding, operates a telephone system in Huntington Beach, Orange County, and immediate vicinity. Its rate schedules on file with the Railroad Commission provide, among other things, rates for intercommunicating telephone systems. The rate schedules, as is generally the case, contemplate rates for service in connection with which the utility owns and maintains all of the necessary equipment.

Holly Sugar Corporation, some years ago and before petitioner filed with the Railroad Commission its present rate schedules, installed at its plant and at its own expense and now owns an intercommunicating telephone system to which it now has ten telephone stations connected. When this system was installed, petitioner provided two trunk lines from its telephone exchange to give service to the Sugar Corporation for local and long distance purposes. For the use of these trunk lines, petitioner has been charging the Sugar Corporation a rate of \$2.50 per month each and, in addition, the established rates for such long distance service as the Sugar

Corporation may employ. It alleges that the Sugar Corporation's telephones make use of these trunk line connections for local exchange service and urges that the rate now charged for these trunk lines is insufficient. The Commission is, therefore, asked to make its order fixing a rate for the service which petitioner provides and preventing the Sugar Corporation from making any further extensions of its lines or the addition of further telephones to its system without the consent of petitioner and the payment of a reasonable rate for the service rendered thereby.

The Commission is not asked to determine the reasonableness of any of petitioner's rates other than those which it now charges the Sugar Corporation.

Petitioner has not heretofore kept any record from which the cost to it of operating these trunk lines or of providing local exchange service through its telephone exchange for the Sugar Corporation's various telephones may be determined. The rate which it charges in this case for trunk lines is the rate which it has on file with the Commission and which it would charge other patrons for intercommunicating system trunk lines when all of the equipment necessary for service would be owned and maintained by the ^{telephone} company. In the absence of any evidence to show that this rate in such cases is unreasonably low, it does not appear that the rate now charged the Sugar Corporation for trunk lines should be increased. It is obvious, however, that for any service which petitioner renders either to the present system or to any additions thereto which may be made hereafter, petitioner is entitled to reasonable compensation. It would seem, therefore, that petitioner should be permitted to charge a reasonable rate for each telephone connected with the Sugar Corporation's intercommunicating system and having access to petitioner's local exchange service.

From its annual reports to the Railroad Commission it is possible to determine what the average cost of operation is per connected telephone, and from this average cost to estimate the probable cost of furnishing service to the various telephones in use by the Sugar Corporation after making proper allowance for those items of operating expense which the Sugar Corporation bears. Using petitioner's figures as shown in the annual reports as a basis, it would appear that, in comparison with the rates now charged by petitioner for intercommunicating systems, a rate of fifty cents per month for each telephone owned and used by the Sugar Corporation would be a reasonable rate. This rate, if charged for each of the telephones now connected with this system, would produce an amount equal to the aggregate increased rate for trunk lines which petitioner seeks authority to charge and to which the Sugar Corporation has agreed.

The Commission will not issue an order with reference to petitioner's prayer relative to further extensions of or additions to this privately owned system.

ORDER

Huntington Beach Company having applied to this Commission for permission to increase its rate for trunk line telephone service to Holly Sugar Corporation, and a public hearing having been held, and it appearing to the Commission, as set forth in the preceding opinion, that to the extent hereinafter indicated this application should be granted,

IT IS HEREBY ORDERED that Huntington Beach Company be and it is hereby authorized to charge Holly Sugar Corporation from and after July 1, 1917, a rate of fifty cents per month for each telephone which is now or may hereafter be connected to the intercommunicating system of Holly Sugar Corporation and having access to

local exchange telephone service through the exchange of Huntington Beach Company at Huntington Beach.

PROVIDED that this authority is not to be taken as a precedent to be followed in any other case.

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 11th day of July, 1917.

Max Thelen

H. S. Howard

Oliver Gordon

Frank R. Debin

Commissioners.