

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of

THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY

for authorization to purchase all the issued capital stock and bonds of San Gabriel Valley Home Telephone Company, and upon the acquisition of said stock and bonds to acquire all the property of San Gabriel Valley Home Telephone Company, and of

SAN GABRIEL VALLEY HOME TELEPHONE COMPANY

for authorization to sell its property to The Pacific Telephone and Telegraph Company when that Company shall have acquired all the stock and bonds of San Gabriel Valley Home Telephone Company.

Application No. 281

Intervention of the CITY OF ALHAMBRA.

H. D. Pillsbury, representing The Pacific Telephone and Telegraph Company

Arthur Wright, representing United States Long Distance Telephone and Telegraph Company

Edgar O. Fawcett, representing San Gabriel Valley Home Telephone Company

Sloan Pitzer, representing City of Alhambra

S. M. Haskins, representing Los Angeles Home Telephone Company.

EDGERTON, COMMISSIONER.

OPINION

This is an application by the Pacific Telephone and Telegraph Company, joined in by San Gabriel Valley Home Telephone Company, for an order authorizing the purchase by said The Pacific Telephone and Telegraph Company of all of the capital stock and bonds of San Gabriel Valley Home Telephone Company, and upon the acquisition of said stock and bonds authorizing the said first named

company to acquire all of the property of said last mentioned company, and authorizing said San Gabriel Valley Home Telephone Company to sell all of its property to said Pacific Telephone and Telegraph Company when said last mentioned company shall have acquired all the stock and bonds of said San Gabriel Valley Home Telephone Company.

Both of the applicants herein are operating telephone systems in the City of Alhambra and in the Towns of Arcadia and El Monte, in the County of Los Angeles, and it is the purpose of this application to obtain permission to consolidate these two telephone systems into one system.

The Pacific Telephone and Telegraph Company installed its service in the City of Alhambra about the year 1903 without having obtained a franchise from said city. Thereafter, and for a long period of time, there was a controversy between said city and said telephone company as to the necessity of said company obtaining a franchise from said city. Finally, after the decision of the United States Supreme Court in the case of the City of Pomona vs. The Pacific Telephone and Telegraph Company, said company applied to the trustees of the City of Alhambra for a franchise. Thereupon, the City of Alhambra demanded that a consolidation be effected within sixty days, of the San Gabriel Valley Home Telephone Company's plant and that of The Pacific Company so that the double telephone system would be done away with and the citizens would be enabled to use a single system. No consolidation was effected and the trustees of the City of Alhambra denied the application of the Pacific Company for a franchise and ordered them to remove their poles and wires from the streets. Thereafter an agreement of consolidation was effected between applicants herein.

After the application herein was filed, the City of Alhambra asked and was granted leave to intervene. Said city was represented at the hearing and made no objection to the granting of the application, but requested that certain conditions be put in the

order of the Commission and that the effectiveness of the Commission's order be made contingent on the assent of the city thereto. A similar request by the City of Pasadena was granted in Applications Nos. 54 and 58, and for the reasons therein set out, I recommend that this request be granted.

The United States Long Distance Telephone and Telegraph Company has been serving the patrons of the San Gabriel Valley Home Telephone Company with a long distance service and it is proposed to permit or provide for long distance service from the consolidated exchange with both the United States Long Distance Telephone and Telegraph Company and the toll system of the Pacific Telephone and Telegraph Company. The United States Long Distance Telephone and Telegraph Company requests that certain conditions be incorporated in the order of the Commission, safeguarding its interests.

After careful consideration, I am convinced that it is to the best interest of all concerned that this proposed consolidation be sanctioned by the Commission and that public convenience and necessity will be served thereby. Conditions looking to the safeguarding of the interests of the public have been inserted in the following order.

No value is herein found on either of the plants mentioned in this application, nor on the consolidated plant as a result of merging both these plants, and it should be clearly understood that the sanction of this Commission to the transfer of the property hereinmentioned in no wise binds this Commission, nor any rate fixing or regulating body, as to the values of said plant.

The following form of order is herewith submitted:

ORDER

Application having been made by The Pacific Telephone and Telegraph Company for authorization to purchase all the issued capital

stock and bonds of San Gabriel Valley Home Telephone Company, and upon the acquisition of said stock and bonds to acquire all the property of San Gabriel Valley Home Telephone Company; and of San Gabriel Valley Home Telephone Company for authorization to sell its property to The Pacific Telephone and Telegraph Company when that company shall have acquired all the stock and bonds of San Gabriel Valley Home Telephone Company; and the City of Alhambra having intervened; and a hearing having been held upon said application and intervention; and it appearing to the Commission that the application should be granted under reasonable restrictions and limitations.

IT IS HEREBY ORDERED that the application of The Pacific Telephone and Telegraph Company for authorization to purchase all the issued capital stock and bonds of San Gabriel Valley Home Telephone Company and upon acquisition of said stock and bonds to acquire all the property of San Gabriel Valley Home Telephone Company, and of San Gabriel Valley Home Telephone Company for authorization to sell its property to The Pacific Telephone and Telegraph Company when that company shall have acquired all the stock and bonds of San Gabriel Valley Home Telephone Company, be and the same is hereby granted upon the following terms and conditions and contingent upon the passage of an ordinance by the City of Alhambra approving said purchase and sale and said terms and conditions.

1.

(a) Toll service shall be maintained and be at all times available to all present and future telephone subscribers who may be subscribers of the consolidated telephone service in Alhambra, so that any subscriber in Alhambra may have incoming service from and outgoing service to the existing toll lines now entering Alhambra or any future lines which may be built thereto, and it shall be optional with these subscribers over which toll system they shall be given connection in so far as such option is

made possible by the terminal facilities to which the said toll lines may have access elsewhere.

Ample and suitable space or room for facilities shall be furnished the United States Long Distance Telephone and Telegraph Company, its successors and assigns, in any building in which the exchange telephone service shall be established, in which said long distance company shall have the right to set up and maintain and operate sufficient and satisfactory long distance equipment and apparatus for caring for and conducting its long distance business both incoming and outgoing.

The United States Long Distance Telephone and Telegraph Company shall have the right to install apparatus, appliances, equipment and facilities for the carrying on, operating, and caring for its long distance business, and shall employ on its own account operators and employees necessary to conduct such business.

The physical connection between the long distance apparatus and equipment of said United States Long Distance Telephone and Telegraph Company and the apparatus of the local plant shall be made in a manner suitable to the carrying on of said long distance business, to the advantageous operation of the Long Distance apparatus and lines, and proper service for the patrons of the said local company and without unnecessary cost. The patrons of the said local company shall have the right and option to call for long distance service over the lines of the United States Long Distance Telephone and Telegraph Company, and calls made by patrons of the local company for such service shall be so handled by the operators of the local company that the service given to the patrons of the local company by the said Long Distance Company shall not be in any way at a disadvantage. All messages, both incoming and outgoing, over the lines of the Long Distance Company shall be handled promptly by the operators of the local company and with the same promptness that incoming and outgoing messages are handled over

the long distance lines of any other company or over the long distance lines of the local plant or exchange.

The Long Distance Company shall have the right, subject to the approval of the Railroad Commission of the State of California, to designate the name by which its service shall be called and published.

Long distance service to or from the said United States Telephone and Telegraph Company shall be handled by the local company without unnecessary hindrance, delay or expense and without any action or suggestion on the part of any operator or employee of the local company that might tend to influence the patron in his selection of the long distance lines to be used.

As new or additional equipment or alterations in equipment are made by the local company, the said Long Distance company shall be given the information at as early a date as possible of any contemplated changes and permitted to do anything necessary to bring its equipment into proper relations with the proposed change, and no delay or hindrance shall be made by the local company in this connection nor in the event the said Long Distance Company shall desire to make changes in or additions to its own apparatus.

The United States Long Distance Telephone and Telegraph Company shall maintain its present particular party long distance service, and may make such particular party service and two number service optional after approval by the Railroad Commission of the State of California.

The toll service, both incoming and outgoing, destined to or originating at the stations of the Alhambra local company situated in the towns of El Monte and Arcadia, shall be handled in the same manner as at the present time, that is to say, patrons calling for the service of the said United States Long Distance Telephone and Telegraph Company shall be promptly connected with the lines of the United States Long Distance Telephone and Telegraph

Company by the operators of the local company without unnecessary hindrance, delay or expense and without any action or suggestion on the part of any operator or employee of the local company that might tend to influence the patron in his selection of the long distance line to be used, and messages destined over the lines of the said Long Distance Company for persons or patrons at El Monte and Arcadia shall be handled without unnecessary hindrance or delay by said local company. The operators of the local company at El Monte and Arcadia shall obey all rules and regulations of the said Long Distance Company in so far as the handling of such long distance business coming from or destined to the lines of said company is concerned.

Whenever, as a result of sufficient development or in the judgment of the said United States Long Distance Telephone and Telegraph Company, its business at either El Monte or Arcadia warrants, it may, subject to the provisions of law, install, maintain and operate a long distance switchboard at such towns under the same conditions as exist in the City of Alhambra; the same provisions of this order applying at Alhambra for the conducting of the business there and the rights of said Long Distance Company which also exist and apply at El Monte and Arcadia with the exception just noted, subject to the order or approval of legally constituted authority.

(b) The Pacific Telephone and Telegraph Company shall maintain its present long distance service of whatever kind until the further order of this Commission, and shall enjoy the same protection against unnecessary hindrance, delay or expense with reference to any act or suggestion or interference on the part of any operator or employee or agent of the United States Long Distance Telephone and Telegraph Company, as is provided for that company in the above paragraph providing for the association of the two companies.

(c) A directory or directories showing the subscribers of the Alhambra exchange and their respective telephone numbers and otherwise compiled according to the usual practice of the two companies, shall be furnished each of the subscribers to the consolidated service in Alhambra, Arcadia and El Monte not less than twice each year. Such directory or directories shall also contain the names and numbers of all the subscribers of The Pacific Telephone and Telegraph Company of the City of Los Angeles and contiguous territory; and a local directory or directories shall be furnished each of such subscribers, which shall contain the names and numbers of all the subscribers to the consolidated service in the city of Alhambra, El Monte and Arcadia, not less than twice each year in addition to and supplementary to the general directory first provided for. A directory or directories shall also be furnished each of the subscribers to the consolidated service in Alhambra, El Monte and Arcadia by the United States Long Distance Telephone and Telegraph Company not less than twice annually, containing all the subscribers of the Home Telephone and Telegraph Company of Los Angeles and also the subscribers, with their respective numbers, of other independent companies in territory contiguous to Los Angeles in accordance with the usual practice of the United States Long Distance Telephone and Telegraph Company.

Whenever any telephone number or numbers are changed the local company shall immediately notify the said United States Long Distance Telephone and Telegraph Company of such change in number or numbers, and such notification, inclusive of all changes made in the intervals, shall be made daily and all of the companies involved in the lists of telephone subscribers necessary to the completion of the telephone directories herein provided for, shall cooperate to the end that such directories shall be complete for the telephone field involved and shall be promptly and regularly revised to the end that such directories may be at all times as complete

and up to date as is reasonably possible in accordance with existing telephonic needs; this clause to apply to such telephone companies whether or not they appear of record in this case.

II.

Local Rates and Service.

The rentals charged the subscribers to the consolidated service in the City of Alhambra, and the service given and facilities afforded by the exchange or exchanges of said consolidated service, shall conform to the following requirements until altered by constituted authority.

(a) The minimum rate for the several classes of service now prevailing in the systems of the San Gabriel Valley Home Telephone Company and The Pacific Telephone and Telegraph Company in Alhambra, El Monte and Arcadia, respectively, or the contiguous territory served therefrom, and the maximum radius to, through and over which such rates apply under the same several rates for the various classes of service now existing under the systems, respectively, shall in the several instances prevail as the maximum rate and the minimum radius applicable for the several classes of service involved.

(b) Service shall be rendered by the operating company on application and the signing of the company's contract, which contract shall be subject to the approval of the City of Alhambra, under the rates applicable to the various classes of service, with reasonable promptness, and without the requirement of a deposit of any sum as a prerequisite to the installation of service. No requirement involving any sum in the nature of a penalty shall apply as a condition of the contract under which service will be installed.

(c) The optional two number and particular party service of The Pacific Telephone and Telegraph Company's lines between the City of Alhambra and the City of Los Angeles and other places on

its lines shall be maintained as it now exists unless change is authorized by constituted authority.

(d) With reference to the efficiency of exchange service, the following conditions shall be met as the minimum requirements of efficient service under normal operating conditions:

(1) The average time for answering line signals shall not exceed four seconds.

(2) The percentage of line signals answered in ten seconds or under shall not be less than 95%.

(3) The average time for the disconnection of calls shall not exceed four seconds.

(4) The percentage of disconnections within eight seconds shall not be less than 95%.

(5) The calls not affected by operators' errors shall not be less than 98%.

(6) The above service requirements shall apply under normal conditions, and at no time shall the ratio of operators to traffic handled be less than is necessary to the maintenance of these standards under normal conditions.

III

General and Miscellaneous Requirements.

(a) Within a reasonable time after the purchase by The Pacific Telephone and Telegraph Company of the stock and bonds of San Gabriel Valley Home Telephone Company, as provided for in this order, The Pacific Telephone and Telegraph Company shall acquire all of the property and rights, inclusive of the franchise of San Gabriel Valley Home Telephone Company as further provided for in this order.

(b) The interchange of service between the two systems now existing and pending their final complete physical consolidation shall be effected within thirty days of the date of this order, and the engineering work necessary to effect a complete physical con-

consolidation of the two systems shall thereafter proceed with reasonable diligence and shall be fully completed by May 1, 1913. Strict adherence to the service requirements hereinbefore outlined will not be insisted upon during the time previous to complete physical consolidation, but allowance will be made for inherent difficulties in rendering first class service during the time of effecting physical consolidation of the systems involved.

(c) The construction to be retained in service in the course of the physical consolidation as well as future installations shall, in so far as located within incorporated cities, be subject to the approval of the constituted authorities of such cities and shall conform to the ordinances of said cities now or which may hereafter be in effect. As nearly as is reasonably possible, installation of equipment or facilities without said cities having to do with the exchange limits involved shall follow the construction standards observed within the cities in so far as they may be applicable under standard construction. Particularly shall interior block construction for the business sections and rear property line construction for the residence section prevail in the preservation of existing facilities as well as future installations, subject to the approval of constituted authorities, and conditioned upon the necessary rights of way being obtainable from property owners without charge or for reasonable compensation.

(d) For the purpose of determining gross receipts and percentages involved in payments to the City of Alhambra the companies shall make a just segregation of toll revenues based upon a pro rata determined by a consideration of toll investment and expenses and exchange investment and expenses. In case the company and the city do not agree as to such segregation, the party dissatisfied shall have the right to apply to the Railroad Commission of the State of California, whose determination with reference thereto shall be final.

(e) The provisions of this order shall become effective only upon the concurrence, as expressed by ordinance, of the Board of Trustees of the City of Alhambra, and the terms and conditions of this order shall become effective concurrently with such approval by said Board of Trustees.

(f) After the terms and conditions of this order shall have become effective and the property and rights of the San Gabriel Valley Home Telephone Company of Alhambra shall have been assigned and transferred to The Pacific Telephone and Telegraph Company, under the terms and conditions herein provided for which are declared to be just and reasonable, it is contemplated hereby that the true ownership and control of said consolidated telephone service and the control and management thereof shall at all times appear and be made public in accordance with the true facts involved.

(g) Nothing in this order made by the Railroad Commission of the State of California, or in any of the proceedings preliminary thereto, shall be deemed in any way to be an acceptance either by the Railroad Commission or the City of Alhambra of the valuations placed upon the stock and bonds of San Gabriel Valley Home Telephone Company or of the property rights, franchises or privileges involved in the transfer herein provided for, the value of such stock and bonds and of such property rights, franchises or privileges as are involved, being expressly left open.

(h) Nothing in any order made by the Railroad Commission or in the proceedings preliminary thereto shall be deemed in any way to constitute a contract between the said telephone companies, or any of them, and the City of Alhambra, or the State of California. It is intended hereby to establish certain service, construction and rate regulations to which said companies, and each of them, must conform

until otherwise provided for by law.

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 *7th* day
of February, 1913.

John W. Eschleman
W. H. ...
Edmund D. Edgerton

Commissioners