

Decision No. _____

ORIGINAL

Decision No. 5200

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of LITTLE SHASTA TELEPHONE COMPANY, also known as the Montague-Butte Valley Telephone Company, an association, for an order authorizing it to sell telephone system to Klamath Telephone and Telegraph Company.

) Application No. 3298.

In the matter of the application of KLAMATH TELEPHONE AND TELEGRAPH COMPANY, an association, for an order to extend its lines into territory heretofore partially served by other public utilities.

) Application No. 3315.

James D. Fairchild for applicant.

BY THE COMMISSION:

O P I N I O N

Little Shasta Telephone Company in Application No. 3298, applies for authority to convey its telephone system extending east from Montague to Mt. Hebron, with a total mileage of about 44 miles.

In Application No. 3315, Klamath Telephone and Telegraph Company applies for certificate

that public convenience and necessity require it to extend its lines from Dorris to Mt. Hebron, a total distance of about 14 miles. All of the territory referred to is in Siskiyou County.

A public hearing upon both applications was held by Examiner Westover at Dorris. By stipulation they were consolidated for hearing and decision.

Transfer of Property of Little Shasta Telephone Company.

Little Shasta Telephone Company, also known as Montague-Butte Valley Telephone Company, is a voluntary association of six ranchers and saw mill owners, who for a number of years have operated a toll line between Montague and Mt. Hebron. The system had fallen into a ^{bad} state of repair. Rather than reconstruct the line, the owners preferred to turn over the system to others who would provide them with satisfactory service. Accordingly, a conveyance under date of June 8, 1917 was executed in the name of Little Shasta Telephone Company, conveying the system to Klamath Telephone and Telegraph Company, a co-partnership, one of the above applicants, for a consideration of one dollar and perpetual free service to the six owners of the system. The purchasers at once reconstructed the line to Montague and now furnish service via Pacific Telephone and Telegraph Company to Yreka, the county seat. The above conveyance was executed without authority from the Com-

mission and apparently in ignorance of the invalidity of such conveyance. The proposed free service would create discrimination. For this reason this feature of the transaction would not be approved by the Commission, even if the conveyance had been legal.

Since the hearing, Klamath Telephone and Telegraph Company has proposed instead of free service, to provide a separate line to Montague for three of the owners living in the vicinity of Little Shasta, which would provide them with service from Montague. It would also purchase the interests of the remaining three owners outright, and charge them regular rates for service.

Proposed Extensions from Dorris to Montague and Mt. Hebron.

Klamath Telephone and Telegraph Company is a fictitious name used by a partnership composed of J. E. Hessig, Joseph V. Hessig and Augusta M. Hessig. It owns and operates a telephone system extending from Dorris to Ager, via Beswick, a total distance of about 30 miles, in Siskiyou County. It also owns and operates a telephone system in and about Klamath County, Oregon, bounding Siskiyou County on the north. This line centers in Klamath Falls, Oregon. It now wishes to build a new line of standard type construction along the Southern Pacific Railroad southerly from Dorris to Macdoel and Mt. Hebron, a total distance of 14 miles, connecting there with the lines of the Little Shasta Telephone Company.

The territory lying west of the Southern Pacific Railroad and south of the Klamath Company's line from Dorris to Beswick, is served by Butte Valley Telephone Company, a California corporation, connecting a number of ranchers and others, with Dorris.

The Butte Valley Telephone Company has no objection to the construction of the new line proposed as it believes that the service is needed by the community along the railroad. That company and the applicant, Klamath Telephone and Telegraph Company, have agreed that new subscribers in the territory lying between the present and the proposed lines shall be served by the system whose lines are nearest.

The territory to the west of Macdoel and Mt. Hebron is served by a farmers line known as Macdoel Telephone Company. A direct line has been established by it between Macdoel and Mt. Hebron, which are about two miles apart. The Macdoel Telephone Company has no objection to the proposed line as the farmers on this system wish direct connection with Dorris. They also believe that service between Macdoel and Mt. Hebron will be improved by the new line.

It was not shown that public convenience and necessity require the entrance of Klamath Telephone and Telegraph Company into the territory of these two companies for the purpose of providing

exchange or rural line service. Were it permitted, even with the consent of the other companies to so serve patrons in territory in which they operate, confusion would arise which the Commission would ultimately be called upon to correct. We therefore limit the proposed service to long distance telephone and telegraph toll business between Dorris and Montague and intermediate stations.

Authority to make the transfer in question and to construct the proposed new line will be granted upon condition that Klamath Telephone and Telegraph Company file a schedule of rates for its proposed service between Dorris and Montague and intermediate points satisfactory to the Commission.

Applicant considers no franchise necessary, as the line will follow the railroad. If it becomes necessary to procure a franchise later, application for authority to exercise franchise rights may then be made to the Commission.

O R D E R

LITTLE SHASTA TELEPHONE COMPANY, an unincorporated association, known also as the Montague-Butte Valley Telephone Company, having applied to the Railroad Commission for an order authorizing it to sell to J. E. Hessig, Joseph V. Hessig and Augusta M. Hessig, partners in business under the name and style of Klamath Telephone and Telegraph Company, the telephone line extending from Montague to Mt. Hebron, and said Klamath Telephone and Telegraph Company, a partnership, having applied to the Railroad Commission for certificate

that public convenience and necessity require it to extend its lines southerly from Dorris to Mt. Hebron, in territory partially served by other public utility telephone systems, and a public hearing having been held thereon, the documents to be filed by the parties subsequent to the hearing having been received, and the matter having been submitted and being now ready for decision.

IT IS HEREBY ORDERED that Little Shasta Telephone Company, known also as Montague-Butte Valley Telephone Company, an unincorporated association, be and it is hereby authorized and empowered to hereafter convey to J. H. Hessig, Joseph V. Hessig and Augusta M. Hessig, a partnership, doing business under the name of Klamath Telephone and Telegraph Company, its telephone line extending from Montague to Mt. Hebron, including all telephone apparatus, wires, poles, insulators, rights of way and other appurtenances used in connection therewith.

THE RAILROAD COMMISSION HEREBY DECLARES that public convenience and necessity require said Klamath Telephone and Telegraph Company to construct, maintain and operate a long distance telephone and telegraph toll line between Dorris and Mt. Hebron, along or near the line of the Southern Pacific Railroad, the service, however, to be limited to toll service.

The authority herein contained is upon the condition that Klamath Telephone and Telegraph Company shall file a schedule of rates covering service

between Dorris and Montague and intermediate points, which are satisfactory to the Commission, to be approved by supplemental order herein.

Dated at San Francisco, California, this 13th day of March, 1918.

Max Thelen

H. H. Howard

Edwin O. Edgerton

Commissioners.