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Decision No. _____

ORIGINAL

Decision No. 6330

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA.

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In the Matter of the Application)
of the CALIFORNIA TELEPHONE AND)
LIGHT COMPANY for an order extend-)
ing time for compliance with Chap-)
ter 499, Laws of 1911, as amended)
by Chapter 600, Laws of 1915.)

APPLICATION

No. 2215

W. P. Ferguson for Applicant.

BY THE COMMISSION:

O P I N I O N

In its decision No. 3572, issued September 26th, 1916, Opinions and Orders of the Railroad Commission of the State of California, Vol. 11, Page 286, this Commission granted to the California Telephone and Light Company an extension of time to and including December 31st, 1918, within which to complete the reconstruction of its telephone and electric lines to conform to the requirements of Chapter 499, Laws of 1911, as amended by

Chapter 600, Laws of 1915, provided one-third of the work be completed by June 30, 1917, two-thirds by June 30, 1918, and the entire work on or before December 31, 1918.

The testimony shows that on April 13th, 1916, applicant had 3,029 infractions of the State Law which it estimated would cost \$9,764.74 to remove. Up to July 31, 1917, when applicant should have had one-third of its work completed, it had removed only 276 deviations, and the total expenditure reported amounted to \$442.26 as compared with a total of \$3,255, which it should have completed.

Practically no work was done during the following six months ending December 31, 1917 although at that time at least two-thirds should have been completed. It is difficult for us to understand why it should have been impossible to make any progress during this period. For the normal operation and maintenance of the lines it has been necessary to have a certain number of men constantly employed, and we cannot conceive of a condition where some of the time of these men could not have been utilized in the performance of legal requirements, provided a proper regard for the law was held by the management. Under the circumstances, the Commission could not reasonably grant any extension of time were it not for the certain facts which have been brought out in the testimony.

Since the issuance of the Commission's Decision No. 3672 in September 1916, owing to war condi-

tions, the cost of labor and material has advanced a very considerable degree. Over one-half of the time granted in said decision for the completion of the required work has elapsed, during which time the work could have been carried on under conditions more nearly approaching normal. The financial condition of the company, however, has been such as to limit its ability to make extensive repairs to its system. No dividends have been paid to stockholders for a period of two years. Since June 30th, 1917, however, the Commission has approved the application of a new electric rate schedule through which some financial relief may be expected.

The management in charge of the company has changed during the period and those now in charge, to whom we must look for the performance of the existing legal obligations, have signified a desire to meet the requirements as far as possible. It is the desire of the Commission to be reasonable in its requirements, but at the same time, we must insist that the requirements of the law be met, even though extraordinary effort may be required. This effort may be made less burdensome through the institution of more systematic and efficient organization, to which end the present management is apparently striving.

Considering the financial condition in which the company at present finds itself, the difficulty of obtaining men and material to reconstruct its lines, during the war emergency, it would appear in this instance

that the company should be granted some extension of time. However, the hazardous conditions which exist on certain portions of applicant's system must be eliminated as soon as possible.

After careful consideration of all the factors entering into the problem, we have reached the conclusion that an extension of time until December 31st, 1920 may be granted upon condition that the hazardous conditions which are known to exist on the lines be corrected immediately and provided further, that applicant shall complete one-third of the necessary reconstruction by December 31st, 1918.

O R D E R

California Telephone and Light Company having applied to this Commission for a further extension of two years in which to reconstruct its electric and telephone lines to comply with the requirements of Chapter 499 of the State Laws of 1911 as amended by Chapter 600 of the Laws of 1915, hearings having been held and the matter being submitted and now ready for decision, and the Commission finding as a fact that an extension of time as herein set forth should be granted,

IT IS HEREBY ORDERED that the time within which applicant shall reconstruct its existing system so as to comply completely with the provisions of Chapter 499, Laws of 1911, as amended by Chapter 600, Laws of 1915, be and the same is hereby extended to and in-

cluding December 31, 1920, on condition that at least one-third of the reconstruction work still remaining to be done shall be completed on or before December 31, 1918, at least two-thirds on or before December 31, 1919, and the entire work on or before December 31, 1920.

IT IS HEREBY FURTHER ORDERED that the hazardous conditions referred to in the above opinion which exist on certain portions of the applicant's system and which have been definitely brought to the applicant's attention by the Commission's representatives, be eliminated at once.

At times herein directed applicant shall file with the Railroad Commission, on forms to be supplied by the Railroad Commission, progress reports showing, in such detail as will be prescribed by the Railroad Commission, the extent to which the necessary reconstruction work has been performed during the period covered by the report, and also the extent to which reconstruction work remains to be done in order that the property will comply with the provisions of Chapter 499, Laws of 1911, as amended by Chapter 600, Laws of 1915. The first reports shall cover the period December 31st 1917 to June 30, 1918, and shall be filed with the Railroad Commission within fifteen (15) days subsequent

thereto. The succeeding reports shall cover the succeeding six months' periods, respectively, and shall be filed on or before the expiration of fifteen (15) days after the termination of each such succeeding period of three months.

Dated at San Francisco, California,
this 20th day of April, 1918.

Max Thelen

W. Gordon

Edwin O. Edgerton

Commissioners.