

Decision No. 603

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of)
 NEW FREEPORT TELEPHONE AND TELEGRAPH)
 COMPANY for permission to make increase) Application No. 309.
 in rate for local switches for subscri-)
 bers.)
)

Appearances:

W. H. Devlin for Applicant.

E. D. Pillsbury for The Pacific Telephone and
Telegraph Company.

GORDON, COMMISSIONER.

O P I N I O N.

This is an application to raise telephone rates. A hearing held in Sacramento, California, developed a peculiarly complicated telephone situation, arising from the vague use of telephone terms. To quote the language of the application:

"That applicant desires to increase the rate or charge for the rental of each telephone so as to substitute in lieu of the present rate therefor the following rate, to-wit:

"For rental of each telephone one dollar and fifty cents (\$1.50) per month with the privilege of fifteen (15) local switches of not to exceed three (3) minutes each in length and an additional charge of five cents (5¢) for each minute, or fractional part thereof, over said initial period of three (3) minutes.

"An additional charge of ten cents (10¢) will be made for each local switch, of not to exceed three (3) minutes each in length, in excess of fifteen (15) switches during any month, and five cents (5¢) for each minute, or fractional part thereof, over said initial period of three (3) minutes."

The present rental applying to applicant's telephones is "fifty cents (50¢) per month with unlimited use thereof for

conversations with subscribers on the same line and with whom connection is not made through Central."

A subsequent investigation by the Commission was necessary in order to secure any adequate understanding of the real merits of the case. Neither the investigation of the Commission nor the testimony developed at the hearing has justified the advance in rates as requested. Investigations of the Commission have, however, enabled the applicant company to secure modified switching arrangements with The Pacific Telephone and Telegraph Company which will materially increase applicant's revenue. In view of this additional revenue and of the failure of applicant to justify the rates asked for, I think we are warranted in dismissing this application, in view of which I recommend the following order.

O R D E R.

Application having been made by New Freeport Telephone and Telegraph Company for permission to make increase in rates for local switches for subscribers, and a hearing having been held and no sufficient justification for such advances having been developed, although the applicant's financial condition has been materially improved by the incidental investigations of this Commission,

IT IS HEREBY ORDERED That the application of New Freeport Telephone and Telegraph Company for permission to make increase in rates for local switches for subscribers be and the same is hereby dismissed without prejudice.

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 25th day
of April, 1913.

John W. Fashlerman

W. H. Boardman

W. H. Boardman

Edwin O. Edgerton

Commissioners.