

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA.

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In the Matter of the Application of
THE ARIZONA, CALIFORNIA AND NEVADA
TELEPHONE COMPANY for order authoriz-
ing the sale to the NEEDLES GAS &
ELECTRIC COMPANY of the local telephone
exchange at Needles, California, with
equipment, including telephone poles and
wire, (but not including the line of poles
carrying long distance wire from the
Colorado River to the Needles telephone
exchange), and also the franchises to oper-
ate in the town of Needles, Cal. In
accordance with Section 51, Public Utili-
ties Act of the State of California, ap-
proved by the Governor December 23, 1911.

Application No. 428.

ESSELBMAN, Commissioner.

O P I N I O N

This is an application to sell a telephone plant operated as a public utility in and about Needles, San Bernardino County, California. The application cites as the primary reason for making the sale "that the Needles exchange is so far distant from the principal place of business at Kingman, Arizona; also because the long distance line across the Colorado River has been out of commission more or less of the time on account of high water; and that it has not been able to give what it considered the most satisfactory service to the public and this exchange has not been very profitable. The Needles Gas & Electric Company, having a well equipped plant at Needles, Cal., and the same being ably managed, are in better position to give more efficient service." These reasons for making this sale appear to be good ones in view of the fact that no material objection has developed to the terms of the sale nor to the conditions thereof except in one particular which I shall point out.

The Arizona, California and Nevada Telephone Company retains the toll equipment in and through Needles and the agreement provides for a division of toll revenue with the local operating company on a basis of 20% on the originating business to the local company. This Commission has had occasion to go carefully into the matter of the division of tolls between toll companies operating generally through a territory and local companies operating in restricted exchange areas, and the conclusion was reached that 30% of originating tolls to the local companies was more equitable than the arrangements which the Commission found generally in effect, usually 15% on originating tolls. This view of the Commission has been insisted on whenever this subject has come before the Commission and we know of no reason for differing in this instance from the general conclusion reached. I shall then recommend an order incorporating a modification to this effect.

I recommend the following form of order:

O R D E R

Application having been made by the Arizona, California and Nevada Telephone Company for order authorizing the sale to the Needles Gas and Electric Company of the local telephone exchange at Needles, California, with equipment, including telephone poles and wire (but not including the line of poles carrying long distance wire from the Colorado River to the Needles telephone exchange), and also the franchise to operate in the town of Needles, California, and a hearing having been held and being fully advised in the premises

THE COMMISSION HEREBY FINDS AS A FACT that public convenience and necessity will be served by the granting of the application of the Arizona, California and Nevada Telephone Company to sell and the Needles Gas and Electric Company to buy the property hereinbefore referred to in the opinion hereto, conditioned on the applicants modifying their agreement so that the local operating

company in Needles will be given 30% of the originating tolls instead of 20%, as set out in the application.

IT IS HEREBY ORDERED that the application of the Arizona, California and Nevada Telephone Company for an order authorizing the sale to the Needles Gas & Electric Company of the local telephone exchange at Needles, California, with equipment, including telephone poles and wire (but not including the line of poles carrying long distance wire from the Colorado River to the Needles telephone exchange), and also the franchise to operate in the town of Needles, California, be and the same hereby is granted; provided that the terms of transfer be so modified as to secure to the local operating company in Needles 30% of originating tolls instead of 20%.

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 30th day of April, 1913.

John W. Eastman
Idley Gordon
Edwin D. Edgerly

Commissioners.