

Decision No. 7832

BEFORE THE RAILHOLD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application of RIO VISTA TELEPHONE & TELEGRAPH - COMPANY for authority to increase telephone service rates.

) Application No. 5199.

H. E. Nowell for applicant.

BY THE COLLUSION:

OBIMION

Rio Vista Telephone and Telegraph Company, hereinafter referred to as the Company, in Application No. 5199 asks authority to make such increases and adjustments in the existing rates as in the opinion of the Commission shall appear just and reasonable, so as to allow a fair return upon its property and a reasonable allowance for depreciation.

a public hearing upon the application was held by Examiner Westover at Rio Vista.

At the hearing the applicant presented evidence showing cost of service in 1919 and cost of service in 1920, which included proposed increases in salaries; that at the present time the management serves without salary;

that it desires to increase the number and salaries of its employes; and that, since the present rates were established, the plant has been greatly increased.

An inventory of the company's property previously prepared by the applicant was checked by an engineer of the Commission and, with some modifications, this inventory was used and unit prices were applied to it. The total/production cost, on an historical basis, as of October 16, 1919, was found to be \$24,501.00. The reproduction cost, less depreciation, was found to be \$18,544.00. No valuation was submitted by the company.

The gross revenue received by the company during the year 1919 was \$6519.20. The operating expenses for the same period were \$4657.80, including taxes and rent of Central office building, but no allowance for depreciation. With the present scale of wages in effect, it is estimated that the annual operating expenses for the future will amount to \$4955.00. Annuity sufficient to provide for the depreciation of the physical plant is estimated at \$1087.00.

\$7986.00

The rates now in effect are as follows:

Subscribers' local telephone service, unlimited, \$1.25 per month

Subscribers' rate to Birds
Landing and Collinsville, .15 per call

Non-subscribers' rate to
Birds Landing and Collinsville, .25 per call

Toll calls to and from Suisun, .25 per call

Switching charge on connec-

.05 per switch

At the present time a number of the subscribers are receiving either one, two or four party service, while a very few receive suburban service. It is evident that a more just schedule of rates would be one in which the rates paid would be graded according to these different classifications.

tions with Delta Tel. Co.,

The present rate for toll calls to Birds Landing and Collinsville for subscribers is lower than the non-subscribers' rate, although the service is the same in either case. This is a discrimination which should be removed, and similar rates for messages between Rio Vista, Birds Landing and Collinsville, in either direction, should be provided. The rates provided in the order herein will so provide.

Testimony was received at the hearing tending to show that longer hours of service would be desirable. This is a farming community and the present hour of opening the office, namely, 7 A.M., is too late for the convenience of some of the patrons. The present hours of service are as follows:

Week days - 7:00 A.M. to 10:00 P.M.

Sundays - 8:00 A.M. to 12 M. and 6:00 P.M. to 8 P.M.

It is our opinion that the hours of service should be extended at least to the following schedule:

Week days - 6:00 A.M. to 10:00 P.M.

Sundays - 8:00 A.M. to 8:00 P.M.

This schedule can be put into effect without increasing the present operating force.

In regard to depreciation, the reserve collected from the subscribers for this purpose should be set aside and so held that the money will be available when renewals are necessary, and this reserve should be used for no other purpose unless authorized by the Railroad Commission.

ORDER

Rio Vista Telephone and Telegraph Company having filed with the Commission its application for an increase in rates, a public hearing having been held, the matter having been submitted and being now ready for decision,

THE RAILROAD COMMISSION hereby finds that applicant's rates now in effect are unreasonable and not compensatory and that the rates set forth in the order herein are just and reasonable rates.

Basing its action upon the above finding of fact and upon the statements of fact contained in the opinion preceding this order,

IT IS HEREBY ORDERED that the applicant is authorized to establish and file with the Commission within thirty (30) days from the date of this order the following schedule of rates:

Per Month

	•	Business	Residence
Main line,	Wall,	\$2,50	\$2.00
Two party,	#	2.00	1.75
Four party line, "		1.75	1.50
Extension sets,		1.00	1.00
Suburban service,		-	1.75

Desk sets 25¢ additional per month for all classes of service except extensions.

Toll calls between Rio Vista and Suisun in either direction,

\$.25 per call

Toll calls between Rio Vista and Birds Landing, Rio Vista and Collinsville, and between Birds Landing and Collinsville in either direction.

.25 per call

Switching charge, all connections with Delta Telephone Co.

.05 per switch.

Applicant is suthorized to put these rates into effect subject to the following conditions:

- (a) Adequate and officient telephone service must be rendered for all classes of service.
- (b) Hours of service shall be as follows:

Week days - 6:00 A.M. to 10:00 P.M. Sundays - 8:00 A.M. " 8:00 P.M.

(c) A degreciation reserve shall be set aside annually for the purpose of maintaining the plant in good condition, and shall be used only for such purpose, or for such as may be authorized by the Commission. The amount thus set aside nanually shall be determined by taking 42% of the Dalifornia Railroad Commission's reproduction cost of the physical plant of the company, plus additions to and betterments in physical plant made since such valuation.

Dated at San Francisco, California, this 9 4 day of July, 1920.

Commissioners.