

ORIGINAL

Decision No. 7832

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application)
of RIO VISTA TELEPHONE & TELEGRAPH) Application No. 5199.
COMPANY for authority to increase)
telephone service rates.)

H. E. Nowell for applicant.

BY THE COMMISSION:

O P I N I O N

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/^{re-}production cost, on an historical basis, as of October 16, 1919, was found to be \$24,301.00. 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.

The rates provided in the order it is estimated will provide for the following annual charges:

Maintenance and operation.....	\$4955.00
Annuity for depreciation.....	1087.00
Return on \$24,300.....	<u>1944.00</u>
	\$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 connections with Delta Tel. Co.,	.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.

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.

