

Decision No. 8693.**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 L. N. WOOD, owner Capay Telephone
 Line, for permission to increase tele-
 phone rates. } Application No. 5972.

L. N. Wood in propria persona.

BY THE COMMISSION.

O P I N I O N

Applicant asks for an increase in rates charged for telephone service in the Capay Valley, between Capay and Rumsey, Yolo County.

A public hearing upon the application was held by Examiner Westover at Capay.

The telephone system owned by applicant consists of a central office at Capay, with one line running to Guinda, a distance of 14 miles, and one to Rumsey, a distance of 19 miles, both on the same poles as far as Guinda, and one or two short lines off of these two. Long distance connection is made with The Pacific Telephone and Telegraph Company at Capay. There are forty-two subscribers.

Applicant's present rate is \$1.00 per month for all subscribers. The telephone instruments are owned by applicant, but subscribers replenish their batteries themselves.

Applicant asks that this rate be raised to \$2.00 per month. He also proposes, in the event an increase is granted, to improve the service by increasing the number of lines. This

is to be accomplished by moving the central office from Capay to Guinda; purchasing a pole line and two wire circuits between Capay and Esparto, a distance of one and one-half miles; and by subdividing the existing lines. A toll line will be created between Guinda and Esparto and applicant asks that a rate of fifteen cents a message, unlimited as to length of time consumed in conversation, be allowed for use of this line.

The amount of the applicant's investment is estimated by him at \$2700.00, and the cost of making the proposed improvements at \$400.00.

An engineer of the Commission has made an inventory and appraisal of the plant as of January 1, 1921, and finds the reproduction cost on an historical basis to be \$2729.22, and the reproduction cost less accrued depreciation to be \$1621.09.

From an examination of applicant's records, the Commission's engineer found the gross revenue collected last year to have been the sum of \$603.26, and expenses for operation and taxes \$385.69. The latter sum does not include any charge for the time of owner devoted to the maintenance of the plant. A fair allowance should be made for this. The Commission's engineer estimates that during the coming year maintenance, operating expenses, taxes, and a fair allowance to provide for depreciation will amount to \$701.69.

The rates contained in the following order will, in our opinion, provide the above charges and, in addition, a fair return to the applicant upon the value of his property plus the value of additions and betterments which will be required in order to provide efficient service. The showing made does not warrant the \$2.00 rate requested.

A toll rate of fifteen cents a message, unlimited as to length of time consumed and over a line of the length of that

proposed, is deemed reasonable and will be allowed.

There was no opposition at the hearing to a reasonable increase in rates if good service be rendered.

The lines are at present overloaded, there being from 17 to 22 subscribers on a line. These lines should be divided in the manner outlined by the applicant and, in addition, a new subscribers' circuit should be built between Capay and Esparto to further relieve the overloading.

ORDER

A public hearing having been held upon the above entitled application, the matter having been submitted and ready for decision,

The Railroad Commission hereby finds that the rates at present in effect by the above described utility are non-compensatory and inadequate, but that the rates contained in this order are just and reasonable.

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

IT IS HEREBY ORDERED that L. N. Wood, owner of the Capay Telephone Line, be and he is hereby authorized to establish and make effective the following rates:

Party line, exchange service, business wall telephone,	\$1.75 per month.
Party line, exchange service, residence wall telephone	1.50 " "
Desk set telephones,	.25 " " extra.
Toll service, between Guinda and Esparto, 15¢ per message, unlimited.	

PROVIDED that the authority herein granted shall not become effective until applicant shall have submitted to this

Commission satisfactory evidence that the present lines have been subdivided and additional lines acquired sufficient to relieve present overloaded lines, and that efficient and satisfactory telephone service is being provided; nor until this Commission shall have issued its supplemental order herein, setting forth that the improvements hereinabove specified have been provided.

Dated at San Francisco, California, this 3^d day of March 1921.

Grace F. Dwin
H. H. Howard
H. A. Prudig
Clara H. Brown

Commissioners.