

Decision No. 8709

**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

R. D. Arnold, et al,  
Complainants,

vs.

Santa Barbara Telephone Com-  
pany, a corporation,  
Defendant.

Case No. 1491.

Richards, Heaney and Price by  
Francis Price, for complainants.

Chickering and Gregory, by  
Allen Chickering for defendant

Brundige, Commissioner.

O P I N I O N

Complainants allege that "the rates, tolls, charges and classifications demanded, observed, charged and collected" by the Santa Barbara Telephone Company "for telephone service between stations in ----- the Goleta Exchange and the City of Santa Barbara ----- are unjust, unreasonable, discriminatory, preferential and are in violation of law and of the rules and orders of this Commission."

The rates charged for service between the Goleta and the Santa Barbara Exchanges were authorized by this Commission in Decision No. 7542, dated May 5, 1920, and were made effective by the company after filing same with the Commission. In this decision the so-called "free-switching" between the above named exchanges was eliminated and a charge of ten cents

for an initial period of time was substituted therefor. This charge was the real issue between the complainants and the defendant.

It was agreed upon by all interested parties that the gross revenue, which the Commission's Engineering Department had estimated the company should receive from its entire system under the rates authorized in Decision No. 7542, should not be changed. Engineers for the Commission made a report showing the amount of revenue, after deducting cost of handling toll tickets, which was being derived from this toll charge and the rate adjustments which would be necessary to equal this amount if the Commission decided that the charge should be eliminated. This report was submitted to both the complainants and the defendant and after making slight changes they, in turn, submitted it to the subscribers who would be affected. This afforded all the consumers an opportunity to study the matter before a hearing was held.

The Commission was fully aware of the principle involved in this case and realized that the final determining factor would be whether or not there was sufficient community interest between these two exchanges to warrant it in removing this charge.

Nothing in this opinion and order shall be construed as a precedent whereby other communities desiring "free-switching" with other exchanges may demand such service unless they can prove that a sufficient community interest exists to justify this change.

A hearing was held in Santa Barbara on February 26, 1921. Testimony was introduced by witnesses from both Goleta and Santa Barbara which, in my opinion, proved conclusively that Goleta is not a self-sustaining community, but in fact is commercially and socially dependent on Santa Barbara. There were no objections made to the changes in rates which would be necessary if "free-switching" was again restored even though, as stated above, each subscriber had the opportunity of knowing how this would affect him individually.

It is my opinion that the facts in this case warrant the elimination of the toll charge between the Goleta and Santa Barbara exchanges and I recommend that the following changes in rates be made:

Exchange	<u>EXCHANGE STATION RATES.</u>									
	Business					Residence				
<u>Santa Barbara &amp; Montecito</u>	<u>Main Line</u>	<u>Two Party</u>	<u>Sub-urban</u>	<u>Exten-sions</u>	<u>Main Line</u>	<u>Two Party</u>	<u>Four Party</u>	<u>Sub-urban</u>	<u>Exten-sions</u>	
Present	3.50	2.75	3.00	1.00	2.50	2.00	1.75	2.50	1.00	
Proposed	3.75	3.00	3.00	1.00	2.50	2.00	1.75	2.50	1.00	
<u>Goleta</u>										
Present	2.50	2.00	3.00	1.00	2.00	1.75	1.50	2.50	1.00	
Proposed	3.75	3.00	3.00	1.00	2.50	2.00	1.75	2.50	1.00	

Note 1: All of the above rates are for wall telephones. Desk sets are 25 cents per month extra for all classes of service, except extensions.

Note 2: The rate for private branch exchange trunks will be increased slightly by this proposed change since the rates now on file for all business, private branch exchanges read "First bothway trunk line - individual business rate plus \$2.00" and "Each additional bothway trunk line - rate for first bothway trunk line, less 25%."

#### Toll Rates.

The toll charge between Goleta, Santa Barbara, and Montecito should be eliminated.

It was the consensus of opinion of all parties present that the Goleta and Santa Barbara subscribers would not abuse the privilege of "free switching" between these exchanges by holding unnecessarily long or frequent conversations and it is my opinion that if any flagrant violation of this privilege occurs it should be called to the Commission's attention for such action as it may see fit to take.

O R D E R

A considerable number of subscribers receiving telephone service from the Goleta exchange of the Santa Barbara Telephone Company having complained to the Commission regarding the rates between Goleta and Santa Barbara exchanges now being charged by the above named Company, and a public hearing having been held in the city of Santa Barbara on February 26, 1921, the Commission finds that a sufficient community interest exists between these two exchanges to warrant the elimination of the toll charge between them and that the rates as proposed in the Opinion will give the company the required gross revenue and at the same time are just and reasonable to the consumers,

IT IS HEREBY ORDERED, that on and after April 1, 1921, the Santa Barbara Telephone Company shall eliminate the toll charges between the Goleta exchange and the Santa Barbara exchange and substitute therefor the so-called "free switching" between these exchanges.

IT IS HEREBY FURTHER ORDERED that on or before April 1, 1921, the company shall have ready for use sufficient facilities to handle expeditiously the increased volume of traffic after "tree switching" is instituted.

IT IS HEREBY FURTHER ORDERED that within six (6) months of the date of this order the company shall have installed and in operation a common battery switchboard in the Goleta Exchange in order that more efficient and more satisfactory trunking may be accomplished between these two exchanges.

IT IS HEREBY FURTHER ORDERED, that within twenty (20) days of the date of this order the company is authorized to file with this Commission a revised schedule of exchange rates as set forth in the foregoing Opinion which, upon approval, may be made effective.

IT IS HEREBY FURTHER ORDERED, that within twenty (20) days of the date of this order the company shall file with this Commission a revised schedule of toll rates as set forth in the foregoing Opinion.

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, this 5<sup>th</sup> day of March, 1921.

Frank DeWitt  
H. D. ...  
H. P. ...  
Chas. H. ...