

Decision No. 8847

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application  
of Robert L. Swanson for Order  
authorizing an increase in tele-  
phone service rates.

Application No. 6143

Robert L. Swanson, in propria persona.

BY THE COMMISSION:

O P I N I O N

Rates were established for this applicant in the Commission's Decision No. 7670, in Application 5206, June 8, 1920. These rates have not been made effective by the applicant, it being claimed that for certain classes of service furnished they were inadequate.

Decision No. 7670 reduced the existing rate on a portion of the farmer line services and increased it on others. There were formerly twenty-five farmer line subscribers paying \$6.00 each, per year, and fifteen, paying \$3.00 each, per year. The rate for farmer line service, fixed by Decision No. 7670, was \$4.20 per year. Applicant asks that this rate be made \$6.00 per year.

It is further asked that the rate for subscribers connected on the applicant's Through Line from Berendes to Manton be increased from \$1.00 per month, as provided in Decision No. 7670, to \$1.50 per month and the rate for 10 party suburban service be reduced from \$1.75 per month to \$1.50 per month.

A public hearing was held by Examiner Westover at Red Bluff. Applicant testified that of the fifteen subscribers to farmer line service who were paying \$3.00 per year when the Commission made its investigation, prior to Decision No. 7670, all had now discontinued service except one. In view of these changed conditions, we are of the opinion that the applicant's revenue should not be further reduced by disturbing the rate of \$6.00 which is still being paid by the other farmer line subscribers. The net revenue which all the rates (contained in the order following this opinion) will provide, is not more than the applicant is entitled to earn. The rate to the one subscriber paying \$3.00 per year should be raised to \$6.00 to remove discrimination which has formerly existed.

The applicant's Through Line from Berendos to Manton is approximately 40 miles in length. It connects the applicant's three central offices, Manton, Payne's Creek and Berendos, and the testimony of the applicant and of two of his subscribers showed that party-line service on this line was preferable to that on most of the other lines, especially those lines terminating in the Manton Central office. The Manton office is necessarily a small one and the applicant cannot reasonably furnish as long hours of service through this office as through his Berendos office. Furthermore, subscribers on the Through Line are able to call Red Bluff through one central office. Those on other lines terminating at Manton are obliged to call through two central offices.

There are more subscribers connected to the Through Line than to any of the other party lines, and ordinarily service over such a line should be furnished at a lower rate than service over lines having fewer subscribers. This was the principal reason which moved the Commission in Decision No. 7670 to fix the rate on the Through Line at \$1.00 per month and the rate for party suburban service at \$1.75 per month. But in view of the testimony of the subscribers themselves, who expressed a preference for service on the

Through Line, as stated above, it appears that this inferiority of service is offset by direct connection with Berendos and by longer hours of service, and the applicant's request that the rates be made the same for the Through Line as for the other party lines appears reasonable. There is also to be considered the fact that service to and from the Red Bluff exchange of the Sacramento Valley Telephone Company, which is essential to the successful operation of the applicant's system, is common to all of applicant's subscribers. We will, therefore, authorize one rate for all party line service on lines having three or more subscribers and excepting farmer line service.

At the hearing the applicant requested that his application be amended to include a rate of \$1.00 per year for those subscribers who own their own instruments. The Commission does not favor a rate of this sort. As already stated in Decision No. 7670, the applicant should acquire the ownership of the equipment which is now held by his subscribers, except farmer line subscribers.

Application is also made for authority to require subscribers to supply their own dry cells. The Commission does not favor this. The utility should furnish dry cells and for the same reason that it should own the instruments, namely, the utility is strictly accountable for rendering service and in order to do this, it must own all the equipment.

However, in view of the testimony given at the hearing of the applicant's first application for rates to the effect that batteries were subject to appropriation by the subscribers for their own private uses, we will not require applicant to replenish batteries oftener than once in six months and not that often in any particular case where the old batteries can be made to give service for a longer period of time.

Finally, the applicant alleges that an increase in revenue is necessary on account of the high cost of labor and mater-

ials. It appears, however, that much revenue earned was not collected, but might have been by enforcing a suitable rule. In this connection, we suggest that bills for service, except farmer line service, should be rendered monthly in advance and a rule providing the penalty of disconnection for non-payment within the legal time provided, should be filed with the Railroad Commission.

O R D E R

Robert L. Swanson having filed an application with the Railroad Commission for authority to increase rates for telephone service in territory served by his telephone system in Tehama County, California, and a public hearing on the said application having been held, it is hereby found that the rates heretofore charged for telephone service by said applicant are unjust and unreasonable and that the rates hereinafter provided are just and reasonable. Basing its conclusion herein upon said finding and upon the facts set forth in the Opinion preceding this Order,

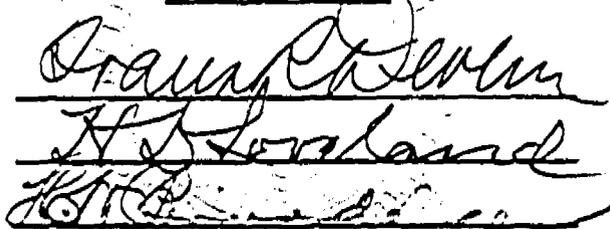
IT IS HEREBY ORDERED by the Railroad Commission that said Robert L. Swanson be and he is hereby authorized to file with the Railroad Commission within thirty (30) days from the date of this order and thereafter to charge and collect rates in accordance with the following schedule:

<u>Class of Service</u>	<u>Rate Per Month</u>
1 Party Service,	\$2.00
2 " "	1.75
Party Line " (three or more)	1.50
Farmer. " "	6.00 per yr.

Toll switching rates to continue as at present.

The authority herein is granted subject to the condition that adequate and efficient telephone service shall be provided at all times for all classes of service.

Dated at San Francisco, California, this 12<sup>th</sup> day of April, 1921.

  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Commissioners