

Decision No. 9505

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
J. G. Kirkman, doing business under
the name of Central Telephone Company,
for authority to increase rates for
telephone service.

ORIGINAL

Application No. 6207

J. G. Kirkman, Applicant

By The Commission:

O P I N I O N

J. G. Kirkman, furnishing telephone service in the town of Exeter, California, and surrounding territory, under the name of Central Telephone Company, in Application No. 6207 asks the Commission's authority to increase his rates for telephone service, alleging that the increased cost of labor and material makes this authorization necessary to enable him to continue giving good service.

A hearing on the application was held in Exeter by Examiner Westover. Applicant submitted no data to substantiate his claims for needing an increase in rates other than general testimony to that effect. Our engineers however had made an investigation of the affairs of applicant and it was stipulated that their report, when completed, should be considered in evidence. This report has now been submitted.

An inventory and appraisal were made by our engineers. The inventory was made with the assistance of a company representative. The appraisal shows the operative property amounting to \$80,177 and we use \$30,000 as a rate base.

The operating revenue for the period ending November 30, 1920 amounted to \$9,453. The expenses for the same period could not

be determined since applicant's book-keeping was both inadequate and inaccurate. Under the present rates, with the estimated increase in business indicated by records of the system's growth, applicant would receive, during the coming year, a gross revenue amounting to approximately \$11,700, while the estimated expenses for the same period amount to \$8,400, after making due allowance for increased expenses which our engineers recommend as being necessary to operate the system efficiently and economically. This would net applicant about 11 per cent upon his investment. It is apparent therefore that applicant should not be granted an increase in rates and we so order it.

O R D E R

J. G. Kirkman, owner of the telephone exchange at Exeter, California, having filed with the Commission his application for an increase in rates, a hearing having been held, the matter having been submitted and the Commission being fully advised, and it appearing to the Commission, as set forth in the preceding Opinion, that an increase in petitioner's present rates is not justified.

IT IS HEREBY ORDERED, that the application herein be, and it is hereby denied.

Dated at San Francisco, California, this 14th day of September, 1921

H. B. Brundage
James Martin
Charles J. Howell
J. J. Leland
Commissioners