

Decision No. 9530

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
J. H. RICHARDSON, Proprietor of Rich-
ardson Springs, for authorization to
adjust interchange of service between
the lines of The Pacific Telephone
and Telegraph Company and his privately
owned line running between Chico, Cali-
fornia, and Richardson Springs.

Application No. 6903.

Lee Richardson for Applicant.
E. J. Fisher for The Pacific Telephone
and Telegraph Company.

BY THE COMMISSION:

OPINION

J. H. Richardson applies hereby for authority to adjust telephone rates between Richardson Springs and Chico.

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

It appears from the testimony that applicant owns and operates a health resort, known as Richardson Springs, near Chico in Butte County. A number of years ago, he constructed a telephone line between the Springs and Chico, connecting his line with the Chico exchange of The Pacific Telephone and Telegraph Company which serves Chico and vicinity as part of its system extending over the Pacific states. His line was built for his own convenience in the conduct of his health resort, and for the convenience of his patrons and of the public. For the use of this line by the public and to assist in meeting the cost of its operation and upkeep, applicant has heretofore had in effect a flat charge of 25¢ for each message passing over it. It having been called to applicant's notice that discrimination existed in the manner of

operating this line and in the manner of collecting this charge, applicant filed the present application for authority to change his method of operation and to adjust the present charge. The adoption of the charge or rate now proposed will in certain instances result in increasing the present charge or rate and for this reason the formal application was set for public hearing.

As this line is now operated, it is a privately owned subscriber's line although devoted to public use. For the connection at Chico, applicant pays a subscriber's rate to The Pacific Telephone and Telegraph Company as a subscriber of the Chico exchange, which entitles him to unlimited service between Richardson Springs and other subscribers of the exchange. He also maintains a business office in Chico in which he has a telephone connecting with the Chico exchange as a subscriber's telephone, between which and other subscribers' stations of the exchange he has access to unlimited service. Between these two telephones and from either of them to other subscribers' stations of the Chico exchange, applicant and his employees now have unlimited service without the payment of the present 25¢ charge to which other Chico subscribers' stations within the exchange are subject when calling to or from Richardson Springs. In a similar way, the long distance toll rates between Richardson Springs, now a Chico subscriber's station, and points beyond Chico, when calls are placed by applicant or his employees, are 25¢ lower than the long distance toll rates between the same points when placed by others, and, when placed by others, they are 25¢ higher than the rates between other Chico subscribers' stations and points beyond Chico.

The plan of adjustment proposed is to discontinue the operation of the Richardson Springs telephone as a subscriber's station and to convert the line into a toll line, applying toll charges to all calls without discrimination. As to the proposed toll rate, authority

is desired to make the following rates effective:

Conversation Rates

	<u>Initial</u>		<u>Overtime</u>	
	<u>Rate</u>	<u>Period</u>	<u>Rate</u>	<u>Period</u>
Station to Station Calls	.10	5 minutes	.05	3 minutes
Person to Person Calls	.15	3 "	.05	1 "
Appointment and Messenger Calls	.20	3 "	.05	1 "
Report Charge for Person to Person and Appointment and Messenger Calls,	5¢			

Telegraph Rates

Telegrams	30¢ for 10 words or less, 2½¢ Each additional word.
Day Letters	45¢ " 50 " " " 9¢ " " 10 words or less.
Night Letters	30¢ " 50 " " " 6¢ " " 10 " " "

It will be seen that the initial rates herein proposed are lower than the present rate of 25¢ for unlimited conversations. It will be seen also that rates of 10¢ for 5 minutes and 5¢ for each additional 3 minutes conversation for Station to Station calls, 15¢ for 3 minutes and 5¢ for each additional minute for Person to Person calls and 20¢ for 3 minutes and 5¢ for each additional minute for Appointment and Messenger calls are offered. Thus on Station to Station calls not exceeding 11 minutes duration, Person to Person calls not exceeding 4 minutes duration and Appointment and Messenger calls not exceeding 3 minutes duration, the proposed rates will amount to a reduction from the present rate. On the other hand under any of the proposed conversation rates, for conversations the duration of which may be in excess of those just referred to the charge will be the same as or in excess of the present rate. It is our opinion however that for the average conversation the proposed rates will result in a reduction of the present rate. Applicant has not heretofore filed a rate for telegrams. There was no protest against the proposed rates.

The discrimination heretofore existing should of course be removed. The rates proposed by applicant will accomplish its removal and they are uniform with the rates at present in effect elsewhere for similar

service. The method under which applicant's line has been operated heretofore, a method more or less common in the operation of privately owned telephone lines held out to public use and connecting with the telephone system of The Pacific Telephone and Telegraph Company and other telephone companies in this State is illogical and in the public interest should be changed. The Pacific Telephone and Telegraph Company has consented to the proposed change, in so far as the conversion from a subscribers' line to a toll line is concerned, and has expressed its willingness to enter into a suitable agreement with applicant for the interchange of service between its system and applicant's line. Under the circumstances it is our opinion that the application should be granted.

O R D E R

J. H. Richardson, owning and operating a telephone line between Richardson Springs and Chico, Butte County, having applied to the Railroad Commission for authority to adjust rates, a public hearing having been held, the Commission being fully apprised and it appearing that the application should be granted,

IT IS HEREBY ORDERED, that applicant be and he is hereby authorized to publish, file with the Railroad Commission and make effective on and after October 1, 1921, the schedule of rates set forth in the Opinion preceding this Order.

Dated at San Francisco, California, this 19th day of September, 1921.

H. S. Leland
George M. Martin
Robert H. Brown

Commissioners.