

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application :  
of the SUNLAND RURAL TELEPHONE :  
COMPANY for permission to insti- :  
tute a toll charge to subscribers :  
for telephone service between :  
Sunland and Los Angeles, and for :  
approval of certain rates for lo- :  
cal service. :

Application No. 714.

I. T. Rowley, for Applicant;  
C. F. Mason, for the Pacific  
Telephone & Telegraph  
Company.

LOVELAND, Commissioner.

O P I N I O N

Applicant, the Sunland Rural Telephone Company, in this application asks for permission to change its monthly rate from \$2.50 to \$1.50 and to institute a toll charge between Sunland and Los Angeles of 10 cents for three minutes' conversation and 3 cents for each additional minute, the business to be handled on what is known as the "two-number" basis.

Applicant is at present charging those of its subscribers who are stockholders \$2.50 per month and an assessment sufficient to maintain applicant's telephone system. Under this rate, its subscribers who are stockholders are allowed free switching privileges with the Los Angeles and Glendale exchanges of the Pacific Telephone & Telegraph Company with which its lines are connected, the Sunland Rural Telephone Company paying to the Pacific Telephone & Telegraph Company a certain rate per year for each telephone connected with its lines. To subscribers who are not stockholders, the Sunland Rural Telephone Company charges for the use of its line a rate of 5 cents for local messages in its Sunland exchange and for messages to Los Angeles a rate of

15 cents for three minutes and 5 cents for each additional minute.

Applicant now desires to discontinue assessing its subscribers and to charge all persons, whether stockholders or not, the toll rate mentioned above of 10 cents for three minutes and 3 cents for each additional minute for messages between Sunland and Los Angeles.

To allow applicant to charge its stockholders for a service which is now furnished without charge is equivalent to allowing an increase in rates, but it must be borne in mind that by permitting applicant to do this the monthly rates which subscribers now pay of \$2.50 will be reduced to \$1.50 and will relieve subscribers who are stockholders from further assessments. It should be borne in mind that applicant's present rates are discriminatory and that the granting of this application will remove such discrimination.

Applicant's line extends from Sunland to Glendale, and from Glendale to Los Angeles messages will be transmitted over the lines of the Pacific Telephone & Telegraph Company with which company applicant desires to enter into an agreement under the terms of which the Pacific Telephone & Telegraph Company is to retain 50% of the Sunland Rural Telephone Company's tolls on all toll business passing over the lines of the Sunland Rural Telephone Company.

As the Commission is aware, 30% is the usual toll charge of the Pacific Telephone & Telegraph Company but it was disclosed by the testimony in this case that the Pacific Telephone & Telegraph Company will handle the local company's toll business on a "two-number" basis and for this purpose must provide special facilities to be used exclusively in rendering such "two-number" service. The Pacific Telephone & Telegraph Company will also operate the local company's terminals in Glendale and will discontinue the yearly charge formerly paid by the Sunland Rural Telephone Company for each of the Sunland Rural Telephone Company's subscribers connected with its lines.

The directors of the Sunland Rural Telephone Company are strongly of the opinion that the granting of this application will place their company on a much better basis, do away with the necessity for further assessments and remove the discrimination now found in its rates. They also testified that they believed the arrangement proposed with the Pacific Telephone & Telegraph Company was decidedly advantageous to the Sunland Rural Telephone Company's subscribers.

Upon the evidence given in the case, I find as a fact that the interests of the Sunland Rural Telephone Company and of its subscribers will best be served by granting the application, and I recommend the following Order:-

#### O R D E R

Application having been made by the Sunland Rural Telephone Company, of Sunland, California, to change the monthly rate of \$2.50, which is now paid by its subscribers who are stockholders, and of 5 cents per switch, now paid by its subscribers who are not stockholders, who also pay a toll of 15 cents on all messages of three minutes' conversation, with 5 cents for each additional minute to Los Angeles, to a uniform rate of \$1.50 per month, and to establish a toll charge of 10 cents for the first three minutes and 3 cents for each additional minute on all messages from Sunland to Los Angeles, and to arrange with the Pacific Telephone & Telegraph Company to handle such messages from Glendale to Los Angeles and to handle the terminals of the Sunland Rural Telephone Company at Glendale, for which service the Pacific Telephone & Telegraph Company is to receive 50% of all toll charges on messages passing over the lines of the Sunland Rural Telephone Company;

And the Commission having found that the granting of

this application will be of advantage to the subscribers of the Sunland Rural Telephone Company and that the arrangement with the Pacific Telephone & Telegraph Company under the circumstances of that company furnishing a "two-number" service and handling the terminals of the Sunland Rural Telephone Company at Glendale is a reasonable one;

IT IS HEREBY ORDERED: That the application of the Sunland Rural Telephone Company be and it is hereby granted, and the company is authorized to reduce its subscription now charged to its stockholders from \$2.50 to \$1.50 and to charge all subscribers the rate of \$1.50 per month, and to put into effect a toll charge of 10 cents, between Sunland and Los Angeles, for the first three minutes and 3 cents for each additional minute; and to enter into an agreement with the Pacific Telephone & Telegraph Company to handle the toll business of the Sunland Rural Telephone Company between Glendale and Los Angeles and also to handle the terminals of the Sunland Rural Telephone Company at Glendale, for which services the Sunland Rural Telephone Company is authorized to pay to the Pacific Telephone & Telegraph Company 50% of all toll charges passing over the lines of the Sunland Rural Telephone Company;

PROVIDED: That nothing in this Opinion and Order shall be understood as passing upon the reasonableness of said rates, that matter not being before the Commission in this application;

PROVIDED, further, that this Order shall become effective upon the filing with this Commission by the Sunland Rural Telephone Company of a revised rate schedule, as herein provided, said rate schedule to be filed not later than thirty days from the date of this Order.

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, California, this 6th  
day of October, 1913.

John W. McKelvey  
H. S. Loveland  
W. S. Hoar  
Edwin O. Edgerton

Commissioners.