

Decision No. 2927

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
Klamath Telephone and Telegraph Com-
pany, a co-partnership, authorizing
the discontinuance of line to Willow
Creek, California.

Application 6688.

ORIGINAL

Messrs. J. H. and Joseph Hessig, for Applicant.
Lewis Morton, A. J. Sylva, Evert Wise, Protestants.

By the Commission:

O P I N I O N

Klamath Telephone and Telegraph Company, applicant in this proceeding, owns and operates a telephone system in portions of Siskiyou County, California, and Klamath County, Oregon. Its business in the State of California is confined to lines classified as toll lines. Part of its property consists of a line extending from the town of Ager, Siskiyou County, California, in an easterly direction, through a farming settlement to Willow Creek for a distance of approximately fourteen (14) miles, serving at the present time nine (9) subscribers. Formerly this line extended farther, and served more subscribers, but a farmer's line having been built parallel to applicant's line, several subscribers discontinued applicant's service and joined the farmer line, at which time applicant abandoned the unused portion of its line. Applicant now seeks to abandon the remaining portion of the line, claiming that the

revenue received therefrom is insufficient to warrant its operation.

A public hearing was held before Examiner Satterwhite at Hornbrook, on October 3rd, 1921, at which time certain subscribers of this line appeared and protested against its abandonment.

This line, though classed as a toll line by applicant, is connected with the exchange of The Pacific Telephone and Telegraph Company at Ager, and applicant pays the Pacific Company its authorized Farmer Line rate of 25 cents per month for service for each subscriber on the line. Applicant, in turn, has been billing these subscribers at a minimum rate of \$1.00 per month each, thus receiving 75 cents per month net, or \$9.00 per year per subscriber to pay for the maintenance, depreciation and interest on investment, a total of \$81.00 for the nine (9) subscribers on the entire line.

While it must not be expected that each line owned by a telephone utility shall itself yield a return on the investment therein over and above all operating expenses, provided a reasonable return is received from the operation of the utility's property as a whole, in this case this particular line is located in a community which is far distant from applicant's headquarters, thus making maintenance costs unusually high. In addition thereto the farmer line previously referred to now affords means of telephone communication both among the various farmers in the community and to distant points by the use of a switching station at Bogus.

Protestants testified that they did not wish the service discontinued which is given over this line, although at least two of the nine (9) subscribers on the line already have service also over the farmer line. Applicant made an offer at the hearing to sell the line to the local subscribers who could

then continue the service themselves directly as "farmer line" subscribers of The Pacific Telephone and Telegraph Company's exchange at Ager, and protestants promised to call a meeting of all interested parties to consider such purchase, and to notify the Commission of their decision. Such meeting has since been held, and Mr. Lewis Morton, one of the protestants, has written to the Commission stating that the subscribers on the line have decided to purchase it. Under the circumstances, it is our opinion that the application should be granted.

O R D E R

Klamath Telephone and Telegraph Company, owning and operating a telephone system in portions of Siskiyou County, California, and in Klamath County, Oregon, having applied to the Railroad Commission for authority to discontinue service and abandon its line from Ager, Siskiyou County, California, to Willow Creek, also in Siskiyou County, California, 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 hereby is authorized to discontinue service on its line from Ager to Willow Creek, such discontinuance to become and be effective on and after January 1, 1922.

Dated at San Francisco, California, this 27th day of December, 1921.

H. B. Brundage

Erving Mattie

Charles H. Kerner

W. F. Jordan
Commissioners.