

Decision No. 26080.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
SAN ANTONIO HOME TELEPHONE COMPANY,
(Incorporated), for permission to
discontinue service as a Public
Utility, and to dissolve.

ORIGINAL

Application No. 18844.

J. P. Mandl, for Applicant.

J. G. Marshall, for The Pacific
Telephone and Telegraph Company.

BY THE COMMISSION:

O P I N I O N

San Antonio Home Telephone Company, Incorporated, applicant in this proceeding, herein requests permission to abandon telephone service operations.

A public hearing in this application was held by Examiner Fry at King City on June 1, 1933, when the matter was submitted for decision.

San Antonio Home Telephone Company, hereinafter sometimes referred to as the San Antonio Company, operating in Monterey County, has a line extending from King City to Jolon where a central office is maintained. Another line extends from Jolon to about five miles southeast of Lockwood Post Office where a switching point has been established and from which a line extends to Bradley. Some branch lines extend from these main lines and from the central office at Jolon to various subscribers' premises. In general these lines are single wire grounded circuits on four by four redwood poles. Applicant's lines at King City and Bradley are

connected to the switchboards of The Pacific Telephone and Telegraph Company, hereinafter sometimes referred to as the Pacific Company, and switching service therefrom is received at the rates filed for Farmer Line Service from those exchanges. The hours of service at the Jolon central office and Lockwood switch are 7 a.m. to 12:05 p.m. and 12:55 p.m. to 7 p.m. on week days and 8 a.m. to 9 a.m. on Sundays. There are eighteen subscribers located between Lockwood switch and Bradley who have connections with the Bradley Exchange, and twenty subscribers located between Jolon and King City who have connection over two lines with the King City Exchange. Seventeen subscribers have service by means of the line between the Lockwood switch and Jolon where their calls may be switched to King City. Each of applicant's subscribers has available free switching to any other station of the company.

Testimony received at the hearing shows that the San Antonio Company has seventy-six stockholders with 616 shares of stock. A substantial proportion of these stockholders are also subscribers of the applicant company.

In its annual report to the Railroad Commission applicant reported plant and equipment amounting to \$6,060. This report, which is in evidence by stipulation, shows that for 1932, applicant had operating revenues of \$1,183.66, operating expenses of \$1,236.11 and taxes of \$37.40, resulting in an excess of expenses over revenues of \$99.88 for the year.

At a special meeting of the stockholders of the San Antonio Company held on April 17, 1933, a resolution to abandon its telephone lines and service was passed by a vote of 414 out of 616. The reasons given were that there is some dissatisfaction with the service; the lines are getting old, the cost of maintenance of the lines is too great, and many subscribers have not paid their

telephone bills.

Applicant proposes to discontinue switching operations at Jolon and at the Lockwood switch, thus cutting the lines into three sections, one of which would continue to receive service from the Bradley Exchange, another section from the King City Exchange and that section between Jolon and the Lockwood switch would be left inoperative until service could be secured from the San Lucas Exchange of the Pacific Company. It is expected that three mutual associations, independent of one another, will be formed to take over without cost to them these three sections of the property. These mutual associations would make such arrangements as they could with the Pacific Company for service from the three exchanges referred to above.

It is of record that these groups of subscribers have formed no organizations and have made no arrangements with the Pacific Company for service.

J. G. Marshall, for the Pacific Company, filed as an exhibit at the hearing a map of this general territory, indicating thereon modifications of its King City, San Lucas and Bradley exchange areas to include therein the various areas into which the San Antonio Company's territory is proposed to be divided. This would allow the respective sections of the San Antonio Company's lines to be switched from these Pacific Company exchanges, as discussed above, if applicant's request for abandonment is granted, but not otherwise.

It appears that those subscribers who would have service from the King City Exchange if this application were granted could secure the same without additional expense. Likewise, those subscribers who would be served from Bradley could secure service without being required to build any line or incurring

any expense. J. H. Martinus, a witness from Lockwood, stated that he was in favor of the abandonment of applicant's utility service if the construction of a line from Lockwood to San Lucas can be financed. Mr. Martinus testified that those San Antonio Company subscribers located between Jolon and Lockwood would be expected to build a section of line 13 miles in length between Lockwood and San Lucas at their own expense. Salvage from four miles of line which would be abandoned could be used in this work. It is not known that this line construction can be financed by this group of subscribers. The time required to organize an association and to do the work is estimated as from six to eight months, as the labor would be donated and the interested farmers would not at this time leave their harvests to build a telephone line.

We have given careful consideration to this matter, in which there appear reasons in favor of abandonment of this utility's operations. However, we are unwilling to grant this authorization under the existing conditions, which would leave a group of telephone subscribers entirely without service temporarily, if not permanently.

F. J. Merritt, Secretary and General Manager of the San Antonio Company, submitted in evidence, as Exhibit No. 1, a statement showing that \$895.78 is owing the utility by its subscribers and testified that this, if collected, would be divided among the stockholders.

It is our opinion that San Antonio Home Telephone Company should finance and build the line required between Lockwood and San Lucas before it may abandon utility operations and the Order

following will so provide.

O R D E R

San Antonio Home Telephone Company, having made application to the Railroad Commission for permission to discontinue public utility service, a public hearing having been held, careful consideration having been given to the facts and evidence presented and the matter now being ready for decision,

The Railroad Commission of the State of California hereby finds as a fact that San Antonio Home Telephone Company should not be required to continue the operation of its telephone system if the conditions set forth in this Order are satisfied.

Basing its Order on the foregoing finding of fact and such other findings of fact and conclusions as are contained in the Opinion which precedes this Order,

IT IS HEREBY ORDERED that after a showing that it has satisfied the conditions of this Order and upon Supplemental Order of the Railroad Commission, San Antonio Home Telephone Company be authorized to discontinue service as a public utility, to withdraw its schedules of telephone rates and to dissolve, on or before January 1, 1934, provided:

1. Applicant first shall build the necessary line from Lockwood to San Lucas, required precedent to the securing of San Lucas Exchange telephone service by those of applicant's subscribers located between Lockwood and Jolon as referred to in the Opinion preceding this Order.
2. Organizations have been formed by the three groups of subscribers particularly discussed in the Opinion preceding and tentative arrangements have been made with The Pacific Telephone and Telegraph Company for service from the King City, San Lucas, and Bradley exchanges.

3. The Pacific Telephone and Telegraph Company shall have submitted for filing with the Railroad Commission a map showing modifications of its King City, San Lucas and Bradley exchange areas to allow of the arrangement of telephone service proposed by applicant herein and as set forth in Exhibit No. 4, filed at the hearing.

For all other purposes the effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 19th day of June, 1933.

C. S. Leary
Leon Whidley
W. A. Linn
M. E. Harris
Walter Brown
Commissioners.