

Decision No. 22881.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
THE PACIFIC TELEPHONE AND TELEGRAPH
COMPANY, a corporation, for per-
mission to publish, file and place
in effect rates for exchange, inter-
exchange, and telegraph service at
Rodeo, Contra Costa County, California.

ORIGINAL

Application No. 19431.

James G. Marshall, for Applicant;
Joseph Longo, for Rodeo Chamber of Commerce;
C. M. Hoag, A. Roy Heise and C. E. Van Marter,
for Union Oil Company;
S. N. Weil, in Propria Persona.

BY THE COMMISSION:

O P I N I O N

The Pacific Telephone and Telegraph Company, a corporation, operating a telephone and telegraph system in California and other States, applicant in this proceeding, requests permission to file and make effective certain rates for exchange and interexchange telephone service and telegraph service at Rodeo, Contra Costa County, California.

A public hearing in this application was held by Examiner Fry at Rodeo on August 16, 1934, when the matter was submitted for decision.

The territory which applicant proposes to include in the new Rodeo exchange area includes the community of Rodeo and surrounding country in which there are 54 places of business or public activity and 368 residences and a population of approximately 1,360. There are 41 telephone subscribers in this area, a very small number as compared to the number in other communities of similar size and

characteristics. This is attributed to the fact that the community receives service from the Crockett Exchange, about two and one-half miles air-line distance northeast of Rodeo, resulting in the application of mileage charges to all grades of service in Rodeo, except suburban service, which makes the charges for service higher than most individuals can afford to pay. Those who have service generally found it necessary to subscribe for the lower grades of service, particularly the ten-party suburban, a grade of service now used by more than one-half of the subscribers. The Union Oil Company has service in the proposed exchange area at its Oleum plant from the Richmond Exchange on a deviation basis. This service was established many years ago and has been allowed to continue.

Mr. G. P. Wallick, Division Commercial Manager of the Coast Division of applicant company, explained the proposal to include in a Rodeo exchange area a territory logical from the standpoint of the community interest of the people and with the boundary as shown on the map marked Exhibit "B" attached to the application. The base rate area shown on the map in Exhibit "B" includes all locations of present subscribers in the Rodeo community with one exception. Applicant intends to serve the exchange by means of a common battery dial, or automatic system. The local operations would be entirely automatic. Information and long distance calls would be handled by operators in the Crockett exchange central office. Coin-box service would be on a post-payment basis. The proposed exchange telephone service rates are the same as those effective in the Crockett Exchange. Interexchange telephone and telegraph rates now applicable to and from the Rodeo toll station would be made effective for the entire Rodeo Exchange.

The evidence indicates that for the first year of operation of the Rodeo Exchange applicant's net revenue therefrom will

fail by \$230 to meet the expenses of the exchange. Mr. Wallick testified that the combined net revenue from the Crockett and Rodeo Exchanges for the first year of operation under the proposed conditions would be less than if the present conditions with one exchange for the entire area were continued for the same period.

The evidence shows that representatives of applicant company last year canvassed the Rodeo community, discussed the proposed establishment of a separate exchange and obtained applications for service (Exhibit No. 2) from 100 non-subscribers conditional upon the establishment of such exchange. Applicant, in Exhibit No. 1 filed at the hearing, presented 36 application cards signed by subscribers to service in the year 1933 agreeing to accept service from the proposed Rodeo Exchange at the rates shown. Five additional subscribers' applications for service under the proposed conditions signed on various dates in the year 1934 were filed as Exhibit No. 4.

The only protestant to the proposed change in service conditions is the Union Oil Company and its objection, as stated by its representatives relates to its belief that the charges for its telephone service would be greatly increased and the grade of the service it would receive would be seriously deteriorated. The present application is contingent upon the elimination of all deviations in the proposed Rodeo exchange area. The Richmond exchange service of the Union Oil Company at Oleum was established many years ago and before accurate maps of territories served by various exchanges were required to be filed with the Commission. This subscriber has been permitted to retain this very advantageous deviation service since the maps of the Richmond and Crockett Exchanges were filed, although under the effective schedules no other subscriber could secure a like service in the Crockett exchange area at the rates applied to the Union Oil Company service.

The first question to be decided, therefore, is whether the Union Oil Company shall continue to receive service at preferential rates or whether a separate exchange shall be established at Rodeo with the condition that all shall be served alike under the schedules. We are satisfied that the establishment of this exchange will be to the great advantage of the community of Rodeo and the public generally and that the charges to the Union Oil Company will only be in proportion to the use made of the service and in no wise out of line with rates applied to other subscribers' services furnished under similar conditions elsewhere in California. No objection was made to the exchange rates proposed, which are similar to those effective in other sections of California under similar conditions. Interexchange service rates as proposed are in accordance with the method used in fixing present interexchange rates throughout applicant's system in California. Inasmuch as applicant has telegraph rates effective for its toll station in Rodeo, the same or lower rates, as shown in its Exhibit No. 3 filed at the hearing, should be accepted. The present toll station should be discontinued when the exchange is established. The proposed exchange and base rate areas, as shown on maps attached to the application, elicited no objections and, as they appear to include all necessary territories in the respective areas, are acceptable.

From a careful consideration of all the evidence received in this proceeding it is apparent that the interests of this community require the establishment of a Rodeo Exchange with exchange and interexchange telephone rates, telegraph rates and exchange and base rate areas as hereinafter ordered.

O R D E R

The Pacific Telephone and Telegraph Company, having requested authority from the Railroad Commission to establish a telephone exchange at Rodeo, Contra Costa County, to make effective rates for exchange, interexchange and telegraph service, a public hearing having been held in the proceeding and the matter having been submitted for decision,

The Railroad Commission of the State of California hereby finds as a fact that the public interest requires the establishment of a telephone exchange at Rodeo by The Pacific Telephone and Telegraph Company and basing its Order on this finding of fact and such other findings of fact and conclusions as are contained in the Opinion preceding this Order,

IT IS HEREBY ORDERED that The Pacific Telephone and Telegraph Company shall:

- (1) Establish and place in operation within six (6) months from and after the date of this Order a dial telephone exchange at Rodeo, Contra Costa County, with continuous twenty-four (24) hour service and with an exchange area bounded as shown on a map appearing in Exhibit No. 3 filed at the hearing herein.
- (2) Establish a base rate area for the Rodeo Exchange bounded as shown on a map filed in Exhibit No. 3 filed at the hearing herein.
- (3) Establish in the Rodeo Exchange rates for exchange telephone service as set forth in Exhibit "A" attached hereto, and such other exchange telephone rates as may be approved, effective on and after the date of the establishment of said exchange.
- (4) Establish rates for interexchange telephone service and telegraph service between the Rodeo Exchange and outside points, as shown in Exhibit No. 3 filed at the hearing herein, and such other interexchange telephone and telegraph rates as may be approved, effective on and after the date of the establishment of said exchange.

- (5) Submit to the Railroad Commission of the State of California, for filing, maps showing the exchange and base rate areas, rates for exchange and inter-exchange telephone service and telegraph service for the Rodeo Exchange, as referred to in (1), (2), (3) and (4) above, on or before the tenth day immediately preceding the date of the establishment of said exchange.
- (6) Discontinue all exchange service from the Crockett and Richmond Exchanges in the Rodeo exchange area as of the date of the establishment of said exchange except such services as may thereafter be furnished under foreign exchange rate schedules.

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 17th day of September, 1934.

Leon C. Whittell
M. of Com.
M. B. Harris

EXHIBIT "A"

EXCHANGE RATES

EXCHANGE SERVICE SCHEDULE NO. _____.

INDIVIDUAL LINE AND PARTY LINE SERVICE

RODEO

SERVICE:

Applicable to business individual line and two-party line flat rate service and residence individual line and party line flat rate service within the base rate area of the Rodeo Exchange:

RATE:

Rate Per Month

(1) Business Flat Rate Service:	<u>Desk Set</u>
Each individual line station,	\$ 3.00
Each two-party line station,	2.50
Each extension station,	1.00
(2) Residence Flat Rate Service:	
Each individual line station,	\$ 2.50
Each two-party line station,	2.25
Each four-party line station,	2.00
Each extension station with or without bell,	1.00
Each wall set station - desk set station rate less \$.25 per month,	
Each hand set station - desk set station rate plus \$.25 per month.	

CONDITIONS:

(1) Individual and party line services will be provided outside the base rate area and within the exchange area at the above rates and mileage rates.

(2) Extension stations at the above rates are installed on the premises on which the primary station is located.

EXCHANGE SERVICE SCHEDULE NO. ____.

SUBURBAN SERVICE

RODEO

SERVICE:

Applicable to suburban ten-party line flat rate service furnished in the suburban area of the Rodeo Exchange.

RATE:

Rate Per Month

(1) Business Flat Rate Service:	<u>Desk Set</u>
Each ten-party line station,	\$ 3.50
Each extension station without bell,	1.00
(2) Residence Flat Rate Service:	
Each ten-party line station,	\$ 3.00
Each extension station without bell,	.75
Each wall set station - desk set station rate less \$.25 per month,	
Each hand set station - desk set station rate plus \$.25 per month.	

CONDITIONS:

(1) Suburban service will be rendered outside the base rate area but within the exchange area. In no case will the total number of primary stations connected to one circuit exceed ten (10) stations.

(2) Extension stations at the above rates are installed on the same premises on which the primary station is located.

EXCHANGE SERVICE SCHEDULE NO. _____.

SEMI-PUBLIC COIN-BOX SERVICE

RODEO

SERVICE:

Applicable to semi-public coin-box service furnished within the base rate area of Rodeo Exchange.

RATE:

Each Individual Line Coin-Box Wall Set Station:

Each message,	\$.05
Minimum charge per day,	.10

Rate Per Month

Each extension wall set station without coin box,	\$.75
Each extension desk set station without coin box,	1.00
Each extension hand set station without coin box,	1.25

CONDITIONS:

(1) Semi-public coin-box service will be furnished upon applicant's request in stores, shops, restaurants, theatres, or other semi-public locations where there is a collective use of the service by a number of guests, members, employees, or occupants, or where there is the requirement for a combination of transient and subscriber usage.

(2) Semi-public coin-box service will be provided outside the base rate area and within the exchange area at the above rates and mileage rates.

(3) Extension stations at the above rates are installed only on the premises on which the primary station is located.

EXCHANGE SERVICE SCHEDULE NO. _____.

OTHER SERVICES

RODEO

Other Rates and Charges as may be Approved.