

Decision No. 28410.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
ASSOCIATED TELEPHONE COMPANY, LTD.,
for an order (a) authorizing the re-
vision of boundaries and of schedules
of rates, rules and regulations of the
Arrowhead Exchange (b) authorizing ap-
plicant to establish an exchange and to
publish, file and make effective rates
for exchange and toll service in con-
nection with such exchange at Crestline,
California, and (c) authorizing the re-
vision of the Northern boundary of the
San Bernardino exchange area and dis-
continuance of certain San Bernardino
exchange service.

Application No. 20155.

ORIGINAL

Ernest Irwin, for Applicant.

J. E. Haenck, B. W. Switzer and
Mrs. F. C. Russell, for
individual protestants.

BY THE COMMISSION:

O P I N I O N

In this application Associated Telephone Company, Ltd., a corporation, operating a telephone system in Los Angeles, Orange and San Bernardino Counties in California, requests permission to realign the boundaries of its Arrowhead and San Bernardino Exchanges, to establish a separate exchange at Crestline Village and to revise various rate schedules. A public hearing in the matter was held before Examiner Fry in San Bernardino on October 30, 1935, when, full opportunity having been given all interested persons to be present and to be heard, the matter was submitted for decision.

As authorized in this Commission's Decision No. 25006 on August 1, 1932, Associated Telephone Company, Ltd. (hereinafter

at times referred to as the Associated Company) acquired the telephone properties of S. R. Heffley, known as the Arrowhead Telephone Company, which operated a telephone exchange in and around the Village of Lake Arrowhead. The area so served is resort territory in the San Bernardino Mountains. The first telephone service in this region was established by Harry Lee Martin on authority granted by the Commission in Decision No. 12858, dated November 26, 1923 (24 C.R.C. 150). The territory included in the exchange area was limited to the land then owned by the Lake Arrowhead Company. Although no filing by the Associated Company nor any of its predecessors showed any enlargement of this exchange area, evidence has been given that Arrowhead exchange service at Arrowhead exchange rates has been furnished outside the area in unassigned territory for several years. It is proposed at this time to enlarge the Arrowhead exchange area to include all services now furnished from the Arrowhead Exchange, and, in addition thereto, all territory in which it is expected a demand for exchange service may be expected in the future. Mr. E. W. Watson, Assistant to the President of the Associated Company, introduced in evidence as Exhibit No. 2 a map showing the present and proposed base rate and exchange areas of the Arrowhead Exchange. The proposed base rate area shows a slight curtailment in order to more closely follow section lines, but does not exclude any present base rate area services, nor result in any increase in mileage charges to any subscriber. The proposed exchange area includes all of the territory in which a demand for exchange service may be expected. The enlarged exchange area also includes all Arrowhead services irregularly established outside the filed area. The evidence shows that the present filed San Bernardino exchange area has two narrow extensions or neck-shaped areas which take in current development, one of which extends into the

proposed Arrowhead exchange area. Applicant desires to discontinue San Bernardino exchange service to the nine subscribers located in this section and to furnish them service from the Arrowhead Exchange for the reason that they are very much nearer Arrowhead Village than San Bernardino. The record shows that Thaddeus Lowe of Twin Peaks has entered his objection by letter to the transfer of this territory, including Twin Peaks, from San Bernardino exchange area to the Arrowhead exchange area. He states that the subscribers with whom practically all his business is transacted are located in San Bernardino. Mr. B. W. Switzer at the hearing expressed similar objections to the discontinuance of his San Bernardino service in the proposed extended Arrowhead exchange area. It generally occurs with a boundary change of this nature that not everyone is favorably affected by the change. A careful consideration of the reasonableness of the transfer of this particular area, together with the other arrangements of service areas contemplated in this application, leads to the conclusion that the interests of the public generally in and about Arrowhead Village will best be served with the proposed exchange area shown on Exhibit No. 2.

Mr. Frank H. Wright, District Manager for the Associated Company, testified that some of the utility's practices in its Arrowhead Exchange were at variance with the schedules and rules and regulations which it has filed with the Commission. The utility desires to secure authority in this proceeding to remove the present deviations and irregularities. Exhibit No. 1, filed by Mr. Watson at the hearing, sets forth proposed exchange service rates for the Arrowhead Exchange. In Schedule No. A-1 applicant presents its present General Service Schedule, with the rates for two party services eliminated. Mr. Watson stated that with the four-party service with full selective ringing now effective,

there was little need for two-party service. At the present, and for some time in the past, no customers have had service under the two-party schedules. The schedule of mileage rates, although different from that now on file, has regularly been authorized by the Commission and should be made effective. In its Private Branch Exchange Service Schedule No. A-7 some change is proposed. A rate of \$1.25 per month for a primary or extension station with hand set is presented for approval in this schedule. No good reason was given for a monthly differential of twenty-five cents for hand set station over the desk set rate when the rate for the wall set station was the same as that for the desk set station. Generally in California rate differentials of twenty-five cents, not primarily based upon out-of-pocket cost, have been authorized for services with the three principal types of telephone instruments: wall, desk and hand sets. This Schedule No. A-7 will be acceptable if the wall set rate is changed to the desk set rate less twenty-five cents per month. Schedule No. A-11 is a new schedule which sets forth a rate for exchange messages from non-listed public telephones and is the same as filed for similar service throughout California. In its Exhibit No. 1, applicant has separated its schedule of directory listings and joint user service and modified them to conform to its regular practices.

In proposed Schedule No. A-15, Supplemental Equipment, there is incorporated, among other charges, an installation charge of \$1.50 plus 10 cents per foot for cords exceeding the standard length on desk or hand set telephones applied for after the telephone has been installed. For extra length cords requested with new installations only the charge of 10 cents per foot applies. On cross examination the witness for applicant testified that the standard length of its desk and hand set cords was not less than five and one-half feet. The rates authorized in the following

Order for desk and hand set telephones will be with cords not less than five and one-half feet between the signal box and the desk stand or hand set cradle. Mr. Irwin for the Associated Company suggested that the length of the desk and hand set cords should be limited to fifteen feet. This limit of fifteen feet has heretofore been considered reasonable by the Commission and no objection to such limitation in the Arrowhead exchange rate schedules will be made. The record also shows that requests for long cords have generally been for multiples of five feet. If applicant so desires, it may specify in the schedule the lengths in which the long cords are stocked and offered to its customers.

At present there is on file a rate schedule for vacation service in the Arrowhead Exchange. As this service has never been applied for by any subscriber, it may be discontinued as requested.

It is proposed to make applicable in the Arrowhead Exchange the Rules and Regulations on file with the Commission for service in the Associated Telephone Company, Ltd's., Laguna Beach Exchange. There appears to be no good reason why this request should not be granted.

At the present time the telephone service generally available in the mountainous territory west of Lake Arrowhead Village and north of San Bernardino is toll service only. The toll stations are connected to toll lines in cables which extend to the toll board of Southern California Telephone Company in the City of San Bernardino. The charge for the initial period on a message between two of these Crestline toll stations is five cents. A connection between one of such toll stations to another on a different toll line requires a line down the mountain to the San Bernardino toll board where connection is made to another line up the mountain to the other station, thus necessitating the use of an abnormal amount of plant and resulting in a lessening of trans-

mission efficiency. The number of these Crestline toll stations has increased to such an extent that some other service arrangement is imperative at the present time. The Associated Company proposes to establish a separate exchange at Crestline and to furnish therefrom local telephone service in that neighborhood. Toll service between Crestline and other toll points would be available over applicant's lines to San Bernardino where connection is made with the toll lines of Southern California Telephone Company. The present thirty-nine toll stations in the Crestline area would be discontinued. Exhibit No. 4 filed at the hearing shows the base rate and exchange areas of the proposed Crestline Exchange. According to testimony given at the hearing, the proposed base rate area includes all of the developed area near Crestline Village. The exchange area shown on Exhibit No. 4 is bounded on the east by the Arrowhead exchange area, extends westward and northward so as to include all anticipated telephone service requirements, and is contiguous to the San Bernardino exchange area on the south. It is proposed to include in the Crestline exchange area a small section of territory in which three subscribers are now served from the San Bernardino Exchange, for the reason that it is much nearer and is naturally tributary to Crestline Village. The evidence indicates that the base rate and exchange areas shown on Exhibit No. 4 are reasonable for the proposed exchange. In its Exhibit No. 3 filed at the hearing, applicant set forth schedules for its proposed Crestline exchange service which are essentially the same as those shown in Exhibit No. 1 for Arrowhead Exchange. Inasmuch as the Crestline area is mountainous territory, similar to the Arrowhead area, it would appear reasonable to fix similar schedules of rates for the two exchanges.

Originally the toll lines from Arrowhead Village extended to the Highlands Exchange of The Pacific Telephone and Telegraph Company. When the toll cable from Arrowhead Exchange was installed,

it was terminated in the central office of the Associated Company in San Bernardino, from whence circuits were run to the San Bernardino toll board of Southern California Telephone Company (successor to The Pacific Telephone and Telegraph Company) for toll telephone and telegraph service to outside points. In applicant's Exhibit No. 5 filed at the hearing, the toll or interexchange telephone rates between the San Bernardino, Arrowhead and proposed Crestline Exchanges are listed. These rates are constructed on the through line basis standard in California and effective elsewhere in the Associated Company's system. The present rate of five cents per message between two Crestline toll stations would be discontinued with the installation of the local exchange, and calls within the area would be completed at exchange rates. The change in connecting points does not result in any change in the toll charges for service between Arrowhead, Crestline, San Bernardino and Highland.

The Associated Company now has in effect a telegraph rate for ten words or less from Arrowhead to Highland. Messages directed to San Bernardino are transferred at Highland to the connecting Company's lines, making the total charge sixty cents. With the change of the connecting point to San Bernardino, this charge will be reduced to thirty cents, which is the present charge from Arrowhead to Highland. The Arrowhead to Highland charge would become sixty cents. Mr. Watson stated at the hearing that the telegraph business from Arrowhead to Highland is practically nil. In view of this statement and the fact that the City of San Bernardino is considerably larger than Highland, it would be concluded that the change would favorably affect more users of the telegraph service than would be unfavorably affected.

Applicant proposes to install an unattended automatic office at Crestline with all toll operations, assistance and information service performed at San Bernardino. At the beginning

of the exchange operations at least, the maintenance work would be performed by a repair man from San Bernardino.

It is proposed that all exchange services furnished in the three exchanges heretofore generally discussed be received from the central office in their respective exchange areas as of the date of the establishment of the Crestline Exchange except that furnished under foreign exchange schedules. This requirement will remove irregularities and discrimination and is approved. Obviously certain present subscribers will have service from a different exchange after the date of the cut-over, in some instances necessitating the extension of pole line facilities by the utility. We are of the opinion that such subscribers should be advised by the Associated Company well in advance of that date so they may choose the type and grade of service which they desire. The transfer of such services from one exchange to another as of the date of the cut-over should be made without charge to the subscribers for line extension or service connection.

Applicant at the hearing filed, as Exhibit No. 6, a map showing the San Bernardino exchange area, as proposed to be modified. In addition to the small areas which would be withdrawn from this exchange area and included in the Arrowhead and Crestline exchange areas, as discussed heretofore, it is proposed to relocate a portion of the north boundary of the exchange to exclude a small section in the northeastern corner where there is not now any telephone development and where there appears no likelihood of any development in the near future. The San Bernardino exchange area as proposed to be modified appears reasonable, especially so when considered with the various other proposals advanced in this proceeding.

O R D E R

Associated Telephone Company, Ltd., having applied to the Railroad Commission for an order authorizing the realignment of its Arrowhead and San Bernardino exchange boundaries, the establishment of a new exchange at Crestline Village and the filing of rate schedules, a public hearing having been held, and the matter now being ready for decision,

The Railroad Commission of the State of California hereby finds as a fact that the public interest will be conserved by the modification of the Arrowhead and San Bernardino exchange areas, the establishment of the Crestline Exchange and the making effective of rate schedules, all as discussed in the preceding Opinion 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 Associated Telephone Company, Ltd., shall:

1. Modify the base rate and exchange areas of Arrowhead Exchange, as shown on Exhibit No. 2 filed at the hearing herein, effective as of the date of the establishment of Crestline Exchange.
2. Make effective for exchange service in Arrowhead Exchange on and after the date of the establishment of Crestline Exchange the rate schedules set forth in Exhibit No. 1 filed at the hearing herein, but only as modified in accordance with the discussion thereof in the preceding Opinion, and such other rates and charges as may be approved by the Commission.
3. Establish and place in operation on or before June 1, 1936, an automatic telephone exchange at Crestline Village, San Bernardino County, with continuous twenty-four (24) hour service with base rate and exchange area boundaries as shown in Exhibit No. 4 filed at the hearing herein.

4. Make effective for exchange service in Crestline Exchange, on and after the date of the establishment of the exchange, the rate schedules set forth in Exhibit No. 3 filed at the hearing herein, but only as modified in accordance with the discussion thereof in the preceding Opinion, and such other rates and charges as may be approved by the Commission.
5. Make effective in Crestline and Arrowhead Exchanges, on and after the date of the establishment of the Crestline Exchange, Rules and Regulations governing telephone service similar to the Rules and Regulations now on file with the Railroad Commission by Associated Telephone Company, Ltd., for its Laguna Beach Exchange.
6. Modify the exchange area of its San Bernardino Exchange, as shown on Exhibit No. 6, filed at the hearing herein, effective as of the date of the establishment of Crestline Exchange.
7. Change the connecting point of its lines with other carriers from Highland to San Bernardino, effective as of the date of the establishment of the Crestline Exchange.
8. Modify its toll telephone and telegraph service schedules in accordance with (7) above and Exhibit No. 5 filed at the preceeding herein, effective as of the date of the establishment of Crestline Exchange.
9. Discontinue as of the date of the establishment of Crestline Exchange all San Bernardino exchange service in the Arrowhead and Crestline exchange areas, except such services as may be furnished under foreign exchange rate schedules.
10. Discontinue as of the date of the establishment of Crestline Exchange all toll stations located within the Crestline exchange area and withdraw the rate filings therefor.
11. Submit to the Railroad Commission of the State of California for filing maps of base rate and exchange areas referred to in (1), (3) and (6) above and schedules of rates, rules and regulations referred to in (2), (4), (5) and (8) above, on or before the tenth day immediately preceding the date of the establishment of Crestline Exchange.

For all other purposes the effective date of this

Order shall be twenty (20) days from and after the date here-
of.

Dated at San Francisco, California, this 2nd day
of December, 1935.

Leon Whitall

W. H. Cline

M. B. Harris

W. H. Cline

Frank R. Leven

Commissioners.