

Decision No. 28710.

ORIGINAL

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 an order to adjust rates at its Decoto Exchange in connection with increasing the hours of service.

Application No. 20399.

James G. Marshall, for The Pacific Telephone and Telegraph Company.
Frank Thomas, for the Junior Chamber of Commerce.
P. L. Decoto, for the Chamber of Commerce.

BY THE COMMISSION:

OPINION

The Pacific Telephone and Telegraph Company, a corporation, operating a general telephone and telegraph business in California and other states, herein requests authority to make effective in its Decoto Exchange certain increases in rates for telephone service coincident with the installation of dial equipment and twenty-four hour continuous service.

A public hearing in this application was held before Examiner Fry at Decoto on March 24, 1936, when the matter was submitted for decision by the Commission. Mr. G. P. Wallick, Division Commercial Manager of The Pacific Telephone and Telegraph Company, presented in evidence facts and figures relating to the telephone development, revenues, expenses, fixed capital and operations of the exchange at Decoto under present conditions, and a forecast of the results of operation under the proposed conditions.

Telephone service is available at Decoto from 7:00 A.M. to 10:00 P.M. on week days and from 8:00 A.M. to 10:00

P. M. on Sundays and holidays. The average plant, equipment and working assets of the Decoto Exchange for 1935 was \$8,518. Revenues amounted to \$1,849 and expenses to \$2,889. This indicates that the operations of the exchange for the year resulted in a failure to earn expenses by \$1,040. Mr. Wallick estimated that for the first year of operations with dial service the operating revenue would be \$2,100, the expenses \$2,110, and the average plant, equipment and working assets would amount to \$14,600. The utility would fail to earn its expenses under this proposal, but only by the amount of \$10.

All subscribers whose rates would be affected with the proposed change signed cards agreeing to the increase in rates, except two who were notified of the hearing but did not appear to protest the granting of the application. Three applications have been received for Decoto Exchange service coincident with the establishment of the dial service. All of the Decoto farmer line subscribers, each of whom owns his telephone instrument, were contacted and informed that although it was not proposed to increase the rates for their service their telephones would need to be replaced or modified so as to operate with the dial equipment.

Information and toll switching service under the proposal will be furnished from the Hayward Exchange. Maintenance will be performed by repairmen stationed at Hayward. No objection to applicant's proposal was received. The present and proposed rates for the services affected are as follows:

	<u>Rate per Month</u>	
	<u>Present</u>	<u>Proposed</u>
<u>Business Flat Rate Service:</u>		
Each individual line desk set station	\$2.75	\$3.00
Each two-party line desk set station	2.25	2.50
Each extension wall or desk set station . . .	1.00	1.00

Residence Flat Rate Service:

Each individual line desk set station . . .	2.25	2.50
Each two-party line desk set station	2.00	2.25
Each four-party line desk set station	1.75	2.00
Each extension desk set station with bell . .	1.00	1.00
Each extension desk set station without bell	.75	1.00
Each extension wall set station with bell . .	.65	.75
Each extension wall set station without bell .	.50	.75

Except as Noted

- Each wall set station - desk set station rate less \$.25 per month
- Each hand set station - desk set station rate plus \$.25 per month

Auxiliary Line Business Flat Rate Service:

- Each auxiliary individual line station - Individual line business flat rate less 25%.

Commercial and Hotel Private Branch Exchange, Order Receiving Equipment, and Business Intercommunicating Flat Rate Services:

- First bothway trunk line Individual line business flat wall station rate plus \$2.00 per month.

- Each additional bothway trunk line . . . Rate for first bothway trunk line less 25%.

Other rates, rules and regulations in accordance with C.R.C. sheets in effect as of the effective date of the proposed changes.

As there are no subscribers to message rate service in the Decoto Exchange at the present time, schedules for this service may be withdrawn.

The increased availability of service and the advantages of the more modern equipment proposed justify the increase in rates. The level of these requested rates is not higher than that prevailing elsewhere in California for similar service under

similar conditions. The present and proposed rates for business extension service are the same for both wall and desk telephones. In the proposed schedule for residence flat

rate service the monthly rate for each wall set station is the desk set station rate less \$.25 per month and for each hand set station the monthly rate is the desk set station rate plus \$.25 per month. We find no good reason for this difference in rate treatment. Applicant should reduce the rate for each business flat rate service extension wall set station to the desk set station rate less \$.25 per month.

O R D E R

The Pacific Telephone and Telegraph Company, having made application to the Railroad Commission for authority to increase certain rates for telephone service in its Decoto Exchange, a public hearing having been held, and all interested persons having been afforded the opportunity of being heard, the matter having been taken under submission and being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby finds as a fact that The Pacific Telephone and Telegraph Company should increase the hours of service and certain rates for telephone service in its Decoto Exchange as stated in the Opinion which precedes this Order, and

Basing its Order upon the foregoing findings of fact and such other statements of fact and conclusions as appear in the Opinion preceding this Order,

IT IS HEREBY ORDERED that The Pacific Telephone and Telegraph Company shall, on or before November 1, 1936, install in its Decoto Exchange a dial system with twenty-four (24) hour continuous service.

IT IS HEREBY FURTHER ORDERED that The Pacific Telephone and Telegraph Company may make effective for service in its Decoto Exchange, on and after the date of the establishment

of twenty-four (24) hour continuous dial service, the rates proposed in the Opinion preceding this Order, except that the rate for a business flat rate service extension wall set station shall be the desk set station rate less \$.25 per month, and provided:

- (1) Said schedules of rates herein ordered are submitted for filing with the Railroad Commission between the thirtieth and tenth days immediately preceding the date of the establishment of the proposed service.
- (2) No other rates or charges are affected by this Order.

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 13th day of April, 1936.

W. B. Lewis
Leon C. Whittell
W. A. Lewis
W. H. Brown
Frank C. Brown
Commissioners.