

Decision No. 31251.**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 Delano Exchange
 in connection with the introduction of
 common battery service.

Application No. 22088.

James G. Marshall for The Pacific
 Telephone and Telegraph Company.

WAKEFIELD, COMMISSIONER:

O P I N I O N

The Pacific Telephone and Telegraph Company, operating a telephone and telegraph system in California and elsewhere, herein requests authority to increase certain rates for exchange service in its Delano exchange. A public hearing was held in the matter on August 31, 1938 at Delano.

The telephone service furnished by the Pacific Company in Delano and vicinity is of the magneto type. Some months ago the Delano Chamber of Commerce, 20-30 Club, Rotary Club, Exchange Club, Women's Club and the City of Delano inaugurated a movement to have the system replaced by a common battery dial system. Representatives of these civic organizations interviewed each subscriber whose charges would be increased by the change for the purpose of securing his agreement to accept the increase in charges for his service. All except nine of the 347 subscribers affected signified in writing their approval of the change in operation and rates. These organizations then addressed a letter to the Commission, stating the result of their canvass

and requesting the Commission to assist them in securing the desired changes. The application herein under consideration is in response to these representations. At the hearing an opportunity was given those present to state their views concerning the propriety of accepting the changes as explained by Applicant's witness. No one offered any objection to the granting of the application.

The present and proposed rates for the services wherein charges will be modified are as follows:

<u>Individual Line and Party Line Services</u>	<u>Rate Per Month</u>	
	<u>Present</u>	<u>Proposed</u>
Business Flat Rate Service:		
Each individual line desk set station	\$3.00	\$3.25
Each two-party line desk set station	2.50	2.75
Residence Flat Rate Service:		
Each individual line desk set station	2.50	2.75
Each two-party line desk set station	2.25	2.50
Each four-party line desk set station	2.00	2.25
Each wall set station - desk set station rate less \$.25 per month.		
Each hand set station - desk set station rate plus \$.10 per month for first twelve months of continuous service. After twelve months of continuous service the desk set rate applies.		

Auxiliary business individual line flat rate service is charged for at the individual line business flat rate less 25 per cent. The rates for this service, therefore, will be increased in accordance with the increases in business service rates upon which they are based.

The rate for the first bothway trunk line of a commercial or hotel private branch exchange or business inter-communicating system flat rate service is the individual line business flat wall set station rate plus \$2.00 per month. The proposed increase in such service is 25 cents per month.

The proposed increase in additional bothway trunk lines is 19 cents per month.

Applicant desires to withdraw its schedules for private branch exchange and intercommunicating system message rate services for the reasons that it has no subscribers receiving service under such schedules and the new equipment is not easily adapted for such services. Other schedules will remain unchanged.

The level of the proposed rates is in line with that of other exchanges of this company where common battery dial service is furnished and similar conditions prevail.

A revenue and expense statement for the year 1937 for the Delano exchange, placed in evidence by Mr. D. W. Chapman, General Commercial Engineer of the Pacific Company, showed 465 company stations at the end of the year; revenues \$16,337.00; operating expenses \$16,046.00; balance net revenues \$291.00, and average telephone plant and working assets \$73,651.00. It was estimated that with the dial system in operation for the year 1939, and with the proposed rates in effect, the number of company stations at the end of the year would be 558; revenues for the year would be \$21,800.00; total operating expense \$17,210.00; balance net revenue \$4,590.00, and average telephone plant and working assets would be \$99,000.00.

The application should be granted as the level of the proposed rates is reasonable, the expected return from the exchange is not excessive and the large majority of the subscribers are in favor of the change.

I propose the following Order:

O R D E R

The Pacific Telephone and Telegraph Company, having requested authority to adjust certain of the exchange rates applicable for telephone service in its Delano exchange, a public hearing having been held,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby finds as a fact that the conversion of the Delano exchange to common battery dial operation, with adjustments in rates as shown in the Opinion preceding this Order, is justified, and

IT IS HEREBY ORDERED that The Pacific Telephone and Telegraph Company shall install a common battery dial telephone system in its Delano exchange on or before April 1, 1939.

IT IS HEREBY FURTHER ORDERED that The Pacific Telephone and Telegraph Company may make effective for telephone service in the Delano exchange, on and after the date of the completion of the installation of the common battery dial service, the adjustments in rates as proposed and set forth in the Opinion preceding this Order, provided:

- (1) Said schedules to provide for increases in and withdrawal of rates and charges are submitted for filing with the Railroad Commission not later than fifteen (15) days immediately preceding the date of the establishment of the common battery dial service.

Except as otherwise prescribed herein, the effective date of this Order shall be twenty (20) days from and after the date hereof.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad

Commission of the State of California.

Dated at San Francisco, California, this 12th
day of September, 1938.

Robert W. ...
Leon ...
Frank ...
Ray L. Riley
Commissioners.