

Decision No. 31271

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
C. H. GILBERT, doing business under
the fictitious name and style of
SILVERADO TELEPHONE COMPANY, for a
certificate of public convenience
and necessity to construct, maintain
and operate a telephone system in
Orange County, California, and for
permission to file and make effective
rates for said service.

Application No. 21460

ORIGINAL

Ernest Irwin, for Applicant.

T. J. Harris, for Southern California
Telephone Company, Interested Party.

BY THE COMMISSION:

O P I N I O N

C. H. Gilbert, a resident of Silverado Canyon, Orange County, California, herein makes application for a certificate of public convenience and necessity to construct and operate a public utility telephone system in Silverado Canyon and for permission to make effective certain rates for telephone service. A public hearing was held in Silverado Canyon before Examiner Fry on June 8, 1938.

Some years ago the residents of the Canyon constructed a mutual dial telephone system which was operated by them for communication within the Canyon but without connection to outside communities. C.H.Gilbert desires to operate this system as a public utility and to furnish toll service by means of a connection with the facilities of Southern California Telephone Company.

By stipulation filed with the Railroad Commission, Southern California Telephone Company agreed to withdraw its exchange service from the territory which applicant desires to serve

and which is shown on a map filed with the application as Exhibit "C." Exchange service from the Orange exchange has been available to residents of Silverado Canyon for several years and at this time nine subscribers have that service.

Silverado Canyon is situated approximately fourteen miles east of the City of Orange. The highway which enters the Canyon from a westerly direction dead ends in the Canyon, which is very narrow with precipitous sides. The danger from fires is said to be very great. On July 13, 1937, the Board of Supervisors of Orange County by Ordinance granted C. H. Gilbert a franchise to construct, operate and maintain a telephone system in Silverado Canyon and adjacent canyons.

The proposed rates were set forth in Exhibit No. 2 filed at the hearing. It appears that these rates should be allowed for the services offered except that the hand set station rates should be the same as the desk set rates. In Exhibit No. 4 filed at the hearing it is estimated that the gross revenues for the first year of operations of the exchange will be \$1,098.00, which includes \$180.00 toll compensation. Expenses, taxes, etc. are estimated to amount to \$543.00. There is thus left an estimated amount of \$555.00 per year available for depreciation, the services of the owner and for return on the investment. The property which will be required in the service as contemplated is appraised and estimated at \$6,684.00.

At the hearing held in this matter full opportunity was afforded all interested parties to express their views relative to the contemplated change in telephone service conditions and of the proposed rates. The record shows that there is divided opinion in the community concerning the propriety of authorizing applicant C. H. Gilbert to furnish all telephone

service in Silverado Canyon. The Order following will grant the desired certificate but will deny Southern California Telephone Company authority to withdraw its exchange service in the area.

O R D E R

C. H. Gilbert, having made application to the Railroad Commission for a certificate that public convenience and necessity require the exercise by him of certain franchise rights conferred upon him by the County of Orange and for authorization of certain telephone rate schedules, a public hearing having been held,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby finds that public convenience and necessity require the exercise of said Orange County franchise and the establishment of an exchange in Silverado Canyon, and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity authorizing the exercise of the rights and privileges relating to the construction and operation of a telephone system granted him by the Board of Supervisors of Orange County, State of California, under Ordinance No. 371, on July 13, 1937, be and the same hereby is granted to C. H. Gilbert subject to the following conditions:

- (1) The authority herein granted C. H. Gilbert shall apply only within that particular area set forth on a map filed with the application herein and marked Exhibit "C."
- (2) C. H. Gilbert shall commence to furnish utility telephone service in said area not later than six (6) months after the date of this Order.

IT IS HEREBY FURTHER ORDERED that C. H. Gilbert shall:

- (1) Submit to the Railroad Commission of the State of California for filing, in accordance with General Order No. 68, not later than fifteen (15) days prior to the date of the establishment of exchange service, the schedule of rates submitted as Exhibit No. 2 at the hearing, except that the rates for services with hand set telephones shall be the same as for similar services with desk set telephones, and such other rates, rules and regulations as may be approved.
- (2) Submit to the Railroad Commission of the State of California for filing, in accordance with General Order No. 68, not later than fifteen (15) days prior to the date of the establishment of exchange service, maps showing the Silverado exchange area as set forth on a map filed with the application as Exhibit "C" and the base rate area of Silverado exchange as set forth on a map filed at the hearing herein as Exhibit No. 5.
- (3) Submit to the Railroad Commission of the State of California a copy of a Connecting Agreement relating to the terms and conditions under which toll telephone service will be furnished in Silverado exchange in approved form, properly executed by Southern California Telephone Company and C. H. Gilbert, not later than fifteen (15) days prior to the date of the establishment of exchange service.

IT IS HEREBY FURTHER ORDERED that Southern California Telephone Company shall continue to furnish exchange telephone service in the area shown on the map in Exhibit "C" referred to above until or unless otherwise authorized or ordered by the Railroad Commission of the State of California.

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 14th day of September, 1938.

Frank H. ...
Ray L. ...

Commissioners