

Decision No. 22858

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 Wasco Exchange in  
connection with the introduction of  
community dial service.

Application No. 22858

James G. Marshall, for Applicant.

BY THE COMMISSION:

O P I N I O N

In this application The Pacific Telephone and Telegraph Company, operating a general telephone and telegraph business in California and other states, requests authority to increase certain rates for exchange telephone service in its Wasco exchange coincident with the establishment of dial service. A public hearing was held in this matter before Examiner Fry in Wasco on September 7, 1939.

Applicant, sometimes hereinafter referred to as the Telephone Company, operates the Wasco exchange on a local battery manual magneto basis. Following conferences between representatives of Wasco Exchange Club and the Telephone Company, a mutual canvas of the Wasco subscribers was undertaken to ascertain their attitude toward an increase in certain rates for exchange service if a dial system were installed in Wasco. On June 7, 1939, the Railroad Commission received a letter signed by Wasco Exchange Club, Wasco 20-30 Club, and Wasco Business Men's Association, requesting the Commission to assist them in

obtaining the dial system in accordance with the plan agreed upon. It was stated that the canvas of the 233 subscribers who would have an increase in monthly charges for service resulted in the written agreement of 217 subscribers. If the automatic system were installed thirty-one farmer line subscribers' telephones would need to be equipped with dials. Thirty of these subscribers agreed to this modification of their telephones by the Telephone Company at a nominal charge.

The present rates and those proposed for the services affected are as follows:

<u>Individual Line and Party Line Service</u>	<u>Rate Per Month</u>	
	<u>Present</u>	<u>Proposed</u>
<u>(1) 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
<u>(2) Residence Flat Rate Service</u>		
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

The proposed rate for auxiliary line business flat rate service is an increase of nineteen cents per month. The rate for the first trunk of a commercial or hotel private branch exchange would be increased twenty-five cents per month and the rate for each additional trunk would be increased nineteen cents per month. The yearly charges for farmer line service would not be changed but the conditions in the schedule would be modified to bring the schedule in line with present day practices. There would be no change in the wall, desk and

hand set differentials or in the rates for extension telephones. It is proposed to exclude rates for private branch exchange message rate services as there is and has been no requirement for that type of service in Wasco. No change in the toll telephone or telegraph service is proposed. The rates for semi-public and suburban service would remain unchanged.

Applicant desires to offer each of its Wasco subscribers the substitution of hand sets for desk or wall set telephones and of desk sets for wall sets without the application of the usual change of instrument charge, during the period of the conversion of the system from manual magneto to dial. Calls for long distance, complaint clerk, or for assistance, will be made by calling "operator" which will connect the calling party with an operator in Bakersfield who will be in possession of the necessary records. The coin-box services will be of the post-payment type.

Mr. D. W. Chapman, General Tariff Engineer of the Telephone Company, placed in evidence revenue and expense statement for the Wasco exchange for the year 1938 which shows 290 Company stations at the end of the year; total 1938 revenues \$11,413; expenses \$11,027; balance net revenue \$386; average telephone plant and working assets, \$49,325; and percentage relationship of balance net revenue to average telephone plant and working assets, .78%. An estimate for the year 1940, assuming dial operation and the increases in rates above discussed, shows 385 Company stations at the end of the year; revenues, \$15,470; expenses \$13,635; balance net revenue \$1,835; average telephone plant and working assets, \$76,150; and percentage relationship of balance net revenue to average telephone plant

and working assets, 2.4%.

No one appeared in opposition to the plan of introducing the dial service and increasing certain rates as heretofore discussed.

O R D E R

The Pacific Telephone and Telegraph Company having requested authority to adjust certain telephone rates coincident with the establishment of dial service in its Wasco exchange, a public hearing having been held,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby finds as a fact that the modification of rate schedules, discussed in the Opinion preceding this Order, coincident with the establishment of dial operation of the Wasco exchange as proposed is justified, and

IT IS HEREBY ORDERED that The Pacific Telephone and Telegraph Company may install a common battery dial system in its Wasco exchange on or before July 1, 1940.

IT IS HEREBY FURTHER ORDERED that the Pacific Telephone and Telegraph Company may make effective in its Wasco exchange, on and after the date of the installation of the common battery dial service therein the adjustments in rates as proposed and set forth in the preceding Opinion, provided

Said schedules prescribing increases and modifications in rates and withdrawal of schedules are submitted for filing with the Railroad Commission on or before the tenth day immediately preceding the date of the installation of the common battery dial service.

IT IS HEREBY FURTHER ORDERED that the Pacific Telephone and Telegraph Company may

- (1) File with the Railroad Commission, subsequent to the date of this Order, a revised "Move and Change Charges Schedule" which will eliminate the charge for changes from wall or desk set to hand set type of telephone and from wall set to desk set type of telephone in the Wasco Exchange during the conversion period.
- (2) File with the Railroad Commission not more than thirty (30) days prior to the completion date of the conversion of Wasco Exchange to dial service a revised "Move and Change Charges" schedule which would restore the charges eliminated in (1) above.

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

Dated at Los Angeles, California, this 26<sup>th</sup> day of September, 1939.

Raymond H. Rice  
Ray H. Rice  
H. Baker  
Justus J. Casner