

Decision No. 25332

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 Weed Exchange
in connection with the introduction
of dial service.

ORIGINAL

Application No. 25332

James G. Marshall, for Applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding The Pacific Telephone and Telegraph Company, operating a general telephone business in California and other states, seeks authority to increase certain rates for exchange telephone service in its Weed exchange, coincident with the change of operations therein from magneto to dial. A public hearing in the matter was held before Examiner Fry in Weed on April 11, 1940.

Some months ago the Weed Business Men's Association initiated a movement to secure improved telephone service in Weed. After conferences with Telephone Company representatives, the Association canvassed all telephone subscribers of the Weed exchange who had service under the principal classifications of service and who would receive increased bills if the rates for their services were increased twenty-five cents per month as proposed. Cards were signed by subscribers who favored the improved service at the increased rates, which increase in no instance exceeded twenty-five cents per month. Of the 258 subscribers whose bills for service would be increased under the proposal, 241 signed the cards indicating their desire for the improved service as proposed.

Applicant proposes to use step-by-step dial equipment in its Weed exchange and to operate the information and toll service from Dunsmuir. Coin-box service would be of the post-payment type.

The present and proposed rates 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

Service with a wall telephone will continue to be the desk set rate less twenty-five cents per month and the rate for service with a hand set will continue to be the same as with a desk set.

As the rate for auxiliary line service is based upon the rate for business individual line service, the charge for such service would be slightly increased. The charge for the first trunk of a private branch exchange system would be increased twenty-five cents per month and the rate for additional trunks would be increased eighteen cents per month each. It is proposed to revise the conditions applicable to farmer line service so that the schedule may be more easily administered, but without affecting the yearly rates. Applicant proposes to waive, during the period of conversion, the change of instrument charge for a change from wall or desk set to hand set, or from wall to desk set, if the replacement is made at the time the dial telephone is installed. No change in interexchange telephone or telegraph rates is proposed.

Mr. H. E. Owens, Division Manager, Commercial Department, Inland Division of the Telephone Company submitted in evidence a revenue and expense statement for the year 1939, which showed total Company stations at the end of the year, 378; operating revenues

for the year, \$10,397; expenses, \$11,388; average telephone plant and working assets, \$49,615; operating loss, \$991, and percentage relationship of the operating loss to average telephone plant and working assets, 2%.

It was estimated that if the Weed exchange were under dial operation throughout the year 1941, the number of Company stations at the end of the year would be 521; the operating revenues for the year would be \$14,460; the operating expenses would be \$14,840; operating loss, \$380, and average telephone plant and working assets, \$87,200. The percentage relationship of the operating loss to average telephone plant and working assets is .4%.

It is proposed that all Weed telephone numbers would have to be changed for the dial service. However, full directory service would be furnished at all times. The proceeding was given appropriate publicity, but no one appeared at the hearing to object to the proposal of Applicant.

It appears that the level of the proposed rates is reasonable; that the anticipated return from the operations of the Weed exchange under dial operation would not be excessive; that the great majority of the subscribers are desirous of having the dial service installed, and that the application should be granted.

O R D E R

The Pacific Telephone and Telegraph Company having requested authority to increase certain telephone rates, coincident with the introduction of dial service in its Weed 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 Weed exchange to dial operation, with modification of rate schedules 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 Weed exchange on or before January 1, 1941.

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

Said schedules, prescribing increases and modifications of rates, and changes in conditions of service, are submitted to the Railroad Commission for filing on or before the tenth day immediately preceding the date of the establishment of the dial service.

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

- (1) File with the Railroad Commission a revised "Move and Change Charges Schedule" which will eliminate the charge for changing from wall or desk set to hand set telephone, and from wall set to desk set type of telephone, in the Weed exchange during the period of conversion to dial operation.
- (2) Make effective as of the date of the conversion of the Weed exchange from magneto to dial operation a revised "Move and Change Charges Schedule," which will restore the charges eliminated in (1) above, provided said revised schedule is submitted to the Railroad Commission for filing in accordance with General Order No. 68 not less than fifteen (15) days before its effective date.

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 23rd day of April, 1940.

Ray L. Riley
Frank M. ...
...
Justus J. ...
Commissioners