

Decision No. 33105

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
the SOUTHERN CALIFORNIA TELEPHONE
COMPANY, a corporation, for an order
to adjust rates at its Calipatria
Exchange in connection with the
introduction of dial service.

Application No. 23350

ORIGINAL

James G. Marshall, for applicant.

BY THE COMMISSION:

O P I N I O N

The Southern California Telephone Company, operating a general telephone business in the southern part of California, herein requests authority to increase certain rates for exchange telephone service in its Calipatria exchange coincident with a change from magneto to dial operation.

On January 2, 1940 the Railroad Commission received a communication signed by the Mayor of the City of Calipatria, Calipatria Chamber of Commerce, Calipatria Center of the Farm Bureau, and Calipatria Lions Club requesting the assistance of the Commission in their efforts to obtain dial telephone service in the Calipatria exchange. It was stated that a committee appointed by the Lions Club interviewed each subscriber whose monthly rates for telephone service would be affected under the proposal that those who had service under the schedules for the principal classifications of exchange service accept an increase

in rates of twenty-five cents per month. Of the 127 subscribers who would be affected, all except ten signified their acceptance of the dial conversion plan with the rate increase by signing application cards. Two of the subscribers who did not sign cards were opposed to the plan, and the eight remaining expressed no disapproval of the proposal.

Long distance service, repair service, and information service would be controlled from the Brawley central office. No charge would be made for calls to Brawley to secure these assistance services. Public and semi-public coin-box stations would be of the post-payment dial 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 hand set telephone would be the same as with a desk set, and the rate for service with a wall telephone would be the desk set rate less twenty-five cents per month. As the rate for auxiliary line service is based upon that for business individual line service, which in the proposal would be increased twenty-five cents per month, there would be a slight increase in the charge for such service. The charge for the first bothway trunk line of a private branch exchange would be increased twenty-five cents per month and the rate for additional trunks

would be increased nineteen 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 telephone, or from wall to desk set telephone, if the replacement is made at the time the dial telephone is installed. No change in interexchange telephone or telegraph rates is proposed.

Mr. W. C. Schweizer, witness for Southern California Telephone Company, submitted in evidence a revenue and expense statement for the Calipatria exchange for the year 1939, which showed average Company stations for the year, 243; operating revenues, \$9,798.45; expenses, \$16,374.22; average telephone plant, equipment and working assets, \$74,256; operating loss, \$6,576.37; and, percentage relationship of operating loss to average telephone plant, equipment and working assets, 8.86%.

It was estimated that if the Calipatria exchange should be under dial operation through the year 1941 with the proposed rates in effect, the average number of Company stations would be 285; the operating revenues would be \$12,105; the expenses would be \$16,270; the operating loss would be \$4,165; the average telephone plant, equipment and working assets would be \$93,785; and, the percentage relationship of operating loss to average telephone plant, equipment and working assets would be 4.44%.

With the change to dial operation, all Calipatria telephone numbers would have to be changed. It is proposed to furnish the subscribers with adequate directory service.

The hearing in this matter was properly publicized. The record shows that no one made any objection to the Commission to the proposal as discussed above. Representatives of the City of Calipatria, Calipatria Chamber of Commerce, Calipatria Center of the Farm Bureau, and Calipatria Lions Club were present at the hearing and endorsed the project.

It appears that the level of the proposed rates is similar to that applicable for similar service under similar conditions elsewhere in California, that the public desires the dial service as proposed, and that the application should be granted.

O R D E R

Southern California Telephone Company having requested authority to increase certain rates for telephone service coincident with the introduction of dial service in its Calipatria exchange and a public hearing having been held before Examiner Fry at Calipatria on April 25, 1940,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby finds as a fact that the conversion of the Calipatria exchange to dial operation with rate modifications as proposed is justified, therefore,

IT IS HEREBY ORDERED that Southern California Telephone Company may install a common battery dial system in its Calipatria exchange on or before January 1, 1941.

IT IS HEREBY FURTHER ORDERED that Southern California Telephone Company may make effective in its Calipatria exchange, on and after the installation of dial service therein, the 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 Southern California Telephone 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 telephone in its Calipatria exchange during the period of conversion to dial operation.
- (2) Make effective as of the date of the conversion of the Calipatria 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 on or before the tenth day immediately preceding the effective date thereof.

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 21st day of May, 1940.

Ray L. Riley
Stanley R. Deane
Paul W. Shepard
W. H. K. K.
Justus J. Querner
(Commissioners)