

ORIGINAL

Decision No. 34851

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of May Butts, doing business as William Butts Telephone Company, for permission to sell and withdraw from the telephone business, and William Butts to purchase and acquire certain telephone property located in the vicinity of Pinnacles, San Benito County, California, and to assume the obligation of rendering telephone service in the territory served under the name of William Butts Telephone Company, and for permission to adjust certain tariffs.

Application No. 24251

Thomas P. O'Donnell for Applicants.

HAVENNER, COMMISSIONER:

O P I N I O N

In the present application May Butts, owner of a small telephone utility in San Benito County, requests authority to transfer her telephone property to her son William Butts, who desires to adjust certain tariffs upon acquiring the property. The utility has been operated under the fictitious name and title of William Butts Telephone Company, hereinafter sometimes termed the Butts Company.

May Butts, widow of the deceased William Butts, desires to be relieved of the operation of this telephone property on account of her advanced age, and her son is capable of conducting the business. No one has expressed any objection to the transfer of the property as proposed for the nominal payment of one dollar (\$1.00) from purchaser to seller.

A public hearing was held in this matter in Hollister on October 16, 1941. The Railroad Commission had directed that a notice of the hearing should be published in a newspaper with circulation in the community in which the patrons of the Butts Company reside, and that mailing notices should be sent to such patrons. Affidavits of publication and of mailing were filed with the Commission at the hearing.

Emmett Graham, who manages the Butts Company system, as a witness explained the tariff adjustments which it was desired to have authorized.

In Exhibit "D" attached to the application are proposed rules and regulations governing the rendering and payment of bills, discontinuance of service, and disputed bills. The proposed rules and regulations are similar to those generally effective throughout California, and no objection was made to them.

The William Butts Telephone Company has on file with the Commission rates for toll telephone service between its various toll points. These rates are based upon the state-wide toll rate plan of its connecting company, The Pacific Telephone and Telegraph Company, with which connection is made at the Hollister exchange. It is proposed to establish Pinnacles C.C.C. Camp, Pinnacles Lodge, and Pinnacles National Monument as toll rate points in accordance with their locations on the Post Route Map. This will result in some five-cent increases and some five-cent decreases as shown in Exhibit "E" attached to the application. Exhibit "F" filed with the application indicates that no messages were transmitted over the toll routes whose rates would be affected, for the six months' period ending May 15, 1941. No objection was made to these changes.

For many years the Butts Company has been furnishing service to privately-owned farmer lines without charge except for toll messages. It is a recognized practice for a telephone public utility to make a small yearly charge to the farmer line member for the availability of switching service beyond his own line. As the farmer lines in the Butts Company territory are connected to the utility system at toll stations, the yearly charges should be made under a Toll Service-Station Service schedule. The proposed schedule, set forth in Exhibit "C" attached to the application, shows a yearly rate of three dollars (\$3.00), which is the same as the lowest rate for such service in California. The conditions of service under Toll Service-Station Service as proposed herein, and as in effect elsewhere in California, require that the owners of the line have an organization which conducts the business of the line. All members who have telephones connected to the line must be Toll Service-Station Service subscribers. If the utility does not receive full payment

for all service furnished to line members, the utility may deny service to the line as a whole.

Representatives of the Bear Valley Telephone Company, a farmer line group, at the hearing protested the granting of authority to the Butts Company to make effective the proposed Toll Service-Station Service schedule which would require all members of the farmer line group having telephones connected to the line to be subscribers to the utility service and to pay the charges for telephone service under penalty of having service denied to the entire line. A decision in the application was withheld in order to give the protestants time in which to get the group organized. A letter has been received from the Bear Valley Telephone Company withdrawing any objection to the application at this time.

Since the matter was submitted, a letter was received by the Commission from the Mulberry Telephone Company, a farmer line group, protesting the granting of the application as the members of the group, although notified of the hearing, did not appear and make an objection, claiming that the notice received was not fully explanatory of the evidence which might be expected to be presented at the hearing. It is of record that proper notices were sent to the members of the Mulberry Telephone Company group. The objection of this group is the same as that made and later withdrawn by the Bear Valley Telephone Company group.

I am of the opinion that this schedule with conditions, above discussed, should be made effective with the other proposed schedules without discrimination so that revenues may be increased and service improved.

I submit the following form of Order:

O R D E R

May Butts, having made application to sell the William Butts Telephone Company property to William Butts, and request having been made to adjust certain tariffs, due notice having been given to telephone customers, a public hearing having been held, and the matter having been submitted for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby finds as a fact that the transfer of the William Butts Telephone Company property from

May Butts to William Butts and the adjustment of tariffs as requested is justified, therefore

IT IS HEREBY ORDERED that May Butts and William Butts be and they are hereby authorized to execute, after the effective date hereof and prior to March 1, 1942, an agreement in, or substantially in, the same form as the agreement filed in this proceeding as Exhibit "B" attached to the application.

IT IS HEREBY FURTHER ORDERED that within thirty (30) days after the transfer of the properties herein authorized, said William Butts shall file with the Commission a certified copy of the agreement under which he acquired title to said properties.

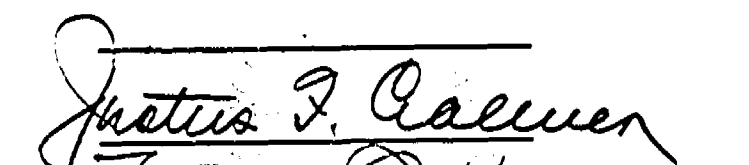

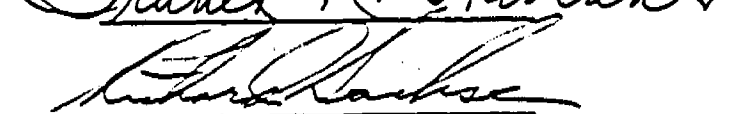
IT IS HEREBY FURTHER ORDERED that William Butts may file with the Railroad Commission, in accordance with General Order No. 68, not later than ten (10) days immediately preceding the transfer of said telephone properties the tariffs shown in Exhibits "C," "D" and "E" attached to the application.

For all other purposes the effective date of this Order shall be twenty (20) days from and after the date hereof.

The foregoing Opinion and Order is 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 16th day of December, 1941.



Commissioners