

Decision No. 37969

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CALIFORNIA WATER & TELEPHONE COMPANY, a corporation, for permission to give exchange telephone service to the unincorporated Town of Desert Hot Springs, Riverside County, California, and surrounding territory, and, to publish, file and make effective rates for exchange service and for interexchange service in connection with said exchange telephone service.

ORIGINAL

Application No. 26705

A. N. Johns, for Applicant.

BY THE COMMISSION:

O P I N I O N

In this application California Water & Telephone Company, a corporation, engaged in the business of furnishing telephone service in portions of Los Angeles, San Bernardino, San Diego, and Riverside Counties, seeks authority to establish a telephone exchange and to file rates for exchange service in the unincorporated Town of Desert Hot Springs, and to establish rates for message toll telephone service in connection with said exchange telephone service. A hearing was held in this matter on May 17, 1945, before Examiner Wessells.

The application shows that the proposed Desert Hot Springs exchange area is included and is now a part of the present Palm Springs exchange area. Exhibit "A," attached to the application, shows a map of the proposed exchange, and its relation to the Palm Springs exchange area.

At the present time telephone service on a toll basis is furnished to the following four toll stations in the proposed exchange area: Desert Hot Springs - Post Office, Desert Hot Springs - Palm Court, Garnet - Van Kirks, and B-Bar-H Ranch. This service is furnished by Southern California Telephone Company. The record shows that this company is willing to withdraw its toll filings applicable to the Desert Hot Springs area, subject to the approval of the

Commission, if the application is granted.

Under Applicant's proposal, exchange service will be offered to the four customers in lieu of toll station service. While a direct comparison can not be made between the charges for service furnished at toll stations and at exchange stations, the company submitted the results of a study based on traffic from December 10, 1944 to January 14, 1945 for the four toll stations in the area. The effect on the toll charges were as follows: Desert Hot Springs - Post Office, Desert Hot Springs - Palm Court, no change; Garnet - Van Kirks, \$0.50 increase; B-Bar-H Ranch, \$12.80 decrease; or a net savings of \$12.30 on the total toll traffic originating in the area. Exhibit No. 3 contains copies of letters from the toll station customers stating that they are agreeable to the discontinuance of the toll stations as soon as exchange and toll service are available from the proposed Desert Hot Springs exchange.

Desert Hot Springs is a newly developed subdivision, separated by natural barriers from the populated portion of the Palm Springs exchange. Mr. A. Wardman, owner and co-subdivider of Desert Hot Springs development, stated that the subdivision comprises one section divided into approximately 3,500 lots. He also stated that there are approximately 200 houses built or in process of construction, with priorities issued for an additional 60, and there is reason to believe that there will be quite a building boom when priorities on building materials are removed.

At various times in the past Applicant has been consulted by patrons and residents in the Desert Hot Springs area regarding the establishment of a separate exchange to provide more and better service to the area. Applicant proposes to install an unattended dial office in a one-room fireproof building, using dial equipment having an ultimate capacity of approximately 90 lines and 10 trunks. It is estimated that the exchange will initially serve 33 stations, with approximately 45 at the end of a year.

Applicant presented in Exhibit No. 1 the estimated results of the first year's operations of the proposed Desert Hot Springs exchange as follows: Revenues \$3,420, Expenses \$2,960, Net Available for Return \$460, Ratio of Net Available for Return to Average Fixed Capital 1.92%. A detail of the estimated fixed capital

is shown in Exhibit No. 2

The rates for message toll telephone service are set forth in Exhibit "B," attached to the application. A station-to-station toll rate of ten cents for five minutes and five cents for each additional three minutes, is proposed between Desert Hot Springs and Palm Springs. Message toll telephone service between Desert Hot Springs and exchanges other than Palm Springs will be furnished in accordance with tariff schedules filed by the Southern California Telephone Company.

The rates for exchange services are set forth in Exhibit "C," attached to the application and are comparable to the rates on file for similar services in other exchanges of the company. Exhibit No. 4 presented at the hearing contains a list of the rates, rules and regulations applicable to the proposed exchange, in addition to those shown in Exhibits Nos. "B" and "C," attached to the application.

Rates for person-to-person service and for telegraph service between Desert Hot Springs and Palm Springs are not proposed. Should there be a requirement for these services, the Commission will expect the Company to make the appropriate filings.

No one has offered any objection to the telephone service arrangements and rates which have been proposed.

O R D E R

California Water & Telephone Company having requested authority to establish a telephone exchange at Desert Hot Springs and to establish exchange and toll telephone rates and the matter having been submitted for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby finds as a fact that the establishment of an automatic or dial telephone exchange by California Water & Telephone Company at Desert Hot Springs with the rates proposed is justified, therefore,

IT IS HEREBY ORDERED as follows:

- (1) California Water & Telephone Company is authorized to install an automatic, or dial, telephone system at Desert Hot Springs on or before December 31, 1945.

- (2) California Water & Telephone Company is authorized to make effective in the Desert Hot Springs exchange on and after the date of the establishment of the service therein, the rates and charges for exchange service set forth in Exhibit "C," attached to the application, and is authorized to file the exchange area and base rate area maps shown in Exhibits "A" and "C," respectively, attached to the application, provided said schedules and maps are filed with the Railroad Commission in accordance with General Order No. 96 on or before the tenth day immediately preceding the date of the establishment of said exchange.
- (3) California Water & Telephone Company is authorized to make effective in the Desert Hot Springs exchange on and after the date of the establishment of the service therein, its filed tariff schedules for miscellaneous exchange rates, rules and regulations listed in the company's Exhibit No. 4 filed at the hearing.
- (4) California Water & Telephone Company is authorized to establish message toll telephone service to and from Desert Hot Springs exchange, at rates and charges set forth in Exhibit "B," attached to the application, provided said schedule is filed with the Railroad Commission in accordance with General Order No. 96 on or before the tenth day immediately preceding the date of the establishment of said exchange.
- (5) The effective date of this Order shall be the date hereof.

Dated at San Francisco, California, this 12th day of

June, 1945.

David Anderson
James P. Coghlan
Richard Lusk
Frank W. Quinn
Wm. H. Kancee
Commissioners