

ORIGINAL

Decision No. 40972

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

J. E. Harton, Paul F. Blinn, Ray Wilson,
H. Frost Brown, M. L. Dos Reis, E. A. Snider,
Lotar Jung, Elmer Pinches, Vera A. Martin,
Crystal Pompella, J.B. Keaster,

Complainants,

vs

Willits Telephone & Telegraph Company,
a corporation,

Defendant.

Case No. 4902

In the Matter of the Application of the
Willits Tel and Tel Company for an
EMERGENCY increase in rates.

Application No. 28732

Hardin, Rank, Meltzer, and Fletcher,
by J. Marcus Hardin, and Clair W. MacLeod
for Complainants; Thomas F. Cleland for
Defendant.

MITTELSTAEDT, Commissioner:

O P I N I O N

J. E. Harton and ten other persons residing in and about Laytonville, Mendocino County, California, filed a complaint on July 2, 1947 requesting the Commission to issue its order requiring the Willits Telephone and Telegraph Company, hereinafter also termed Willits Company, to maintain proper and adequate telephone service at all hours and times including night and emergency service. In its answer, the Willits Company entered a general denial to the allegations contained in the complaint, alleged that it was undertaking certain improvements in the service, and that other improvements were programmed, and further alleged that 24-hour service at the present rates is not possible.

Willits Company is engaged in a general telephone business furnishing service to the communities of Branscomb, Covelo, Cummings, Laytonville, and

Longvale, and adjacent territory in Mendocino County, California. Exchanges are operated at Covelo and Laytonville where magneto service is furnished during limited periods of the day. Toll service is provided through facilities of the Willits Company and through connection with facilities of The Pacific Telephone and Telegraph Company at Willits and at Ukiah. As of December 31, 1946, the Willits Company had 320 telephone stations connected to its system, approximately one half being connected at each exchange. Willits Company reported operating revenues for the year 1946 at \$17,819 and plant in service at the end of 1946 at \$18,500.

Public hearings were held in the complaint proceeding at Laytonville on September 18 and 19, 1947. At the hearing on September 19, an application was submitted by the Willits Company for emergency authority to increase rates for exchange service by \$2 a subscriber per month and to place toll rates into effect as follows:

Between Laytonville and Willits	-	\$0.10	for each five minutes
Between Laytonville and Covelo	-	.10	for each five minutes
Between Covelo and Willits	-	.20	for each five minutes

In support of its application to increase rates, the Willits Company alleges it operated at a loss of \$1,360.14 during the year 1946 and that increased revenues are required to cover increased costs and to extend service. Although no hearing has been held on the application to increase rates, there was testimony at the hearings on the complaint with respect to the introduction of toll rates and an increase in exchange rates.

At the hearings held in the complaint proceeding, some 15 witnesses complained of unsatisfactory service from Covelo and Laytonville exchanges. Ten of the 15 witnesses testified as to their requirement for continuous hours of service. Other matters complained of included:

1. Long delays in completing toll calls.
2. Congestion on the Covelo-Willits line.
3. Poor transmission.
4. Excessive number of stations on lines.

The Willits Company presented testimony to show the work which has been done to improve its plant and the work which is contemplated. It was stated that the Company had obtained estimates of the cost of installing dial central office

equipment at Laytonville and Covelo, but it has not decided on a definite program for conversion to dial operation.

The evidence reveals the Willits Company furnishes service at Covelo and at Laytonville daily from 7:30 a.m. to 9:30 p.m., whereas the filed hours of service are as follows:

	<u>Weekdays</u>	<u>Sundays and Holidays</u>
May 15 to September 15	- 7 a.m. - 11 p.m.	7 a.m. - 11 p.m.
September 16 to May 14	- 8 a.m. - 12 m. 1 p.m. - 6 p.m. 7 p.m. - 8 p.m.	8 a.m. - 10 a.m. 4 p.m. - 6 p.m.

After these hours, emergency service is available on several local lines through night connections with the toll lines and at public telephones connected to the toll facilities at both exchanges. The Willits Company will be required to adhere to its filed tariffs governing hours of service and where hours of service presently being furnished are in excess of the hours indicated in the tariffs, revised tariff sheets will be filed to conform therewith.

The manager of the Willits Company testified that the defendant would be willing to furnish continuous service as requested by a number of the complainants provided the revenues were adequate. He estimated the additional cost to the Company of additional operators required to provide continuous service at approximately \$7,200 annually or \$2 per subscriber per month. This would represent a substantial increase in expense and the record in this proceeding would not justify the ordering of continuous hours of service. However, should experience indicate that the earnings of the Company under the toll rate authorized herein are sufficient to permit the lengthening of the hours of service, the Willits Company will be expected to extend the hours of service and give further consideration to providing continuous service.

The provision of toll service from Covelo and Laytonville is a joint undertaking of the Willits Company and of The Pacific Telephone and Telegraph

Company.¹ From the evidence submitted, it is apparent that one of the factors in connection with the delays in completing long distance calls can be attributed to the heavily loaded switchboard conditions at Ukiah and at Willits and the heavy traffic load on the circuits between these two central offices and other points. Additional toll and central office facilities have been programmed for installation at Willits and at Ukiah during the remainder of 1947 and in 1948 and 1949 as shown in Exhibit 1. However, the practices and operating procedures of both companies should be reviewed and revised as necessary to insure the use of existing facilities to the fullest extent to alleviate the present toll service conditions at Covelo and at Laytonville. The possibility of utilizing interim facilities should also be explored.

The filed tariffs of the Willits Company include a schedule of toll rates applicable to nonsubscribers only. The toll schedule is unclassified, that is, there is no difference in charges for station-to-station and person-to-person service. Toll rates between Covelo, Laytonville, and Willits are as follows:

<u>Route</u>	<u>Initial Period</u>	<u>Overtime</u>
Covelo-Laytonville	25¢ - 3 minutes	10¢ - 1 minute
Covelo-Willits	35¢ - 3 minutes	10¢ - 1 minute
Laytonville-Willits	25¢ - 3 minutes	10¢ - 1 minute

In the interest of improving the toll service, two subscribers urged the establishment of a toll schedule applicable to all users of the toll

¹ At the present time, there are three toll circuits between Laytonville and Willits, and one toll circuit between Covelo and Willits. These four circuits are owned by the Willits Company. In addition, there are two toll circuits between Laytonville and Ukiah. The portion of these latter two circuits between Laytonville and Willits is owned by the Willits Company and the portion between Willits and Ukiah is owned by The Pacific Telephone and Telegraph Company. Toll telephone messages originating in the territory of the Willits Company destined to Willits and certain communities in the vicinity thereof are ticketed and timed at Willits. All other toll telephone messages originating in the Willits Company's territory and involving the use of Pacific Company's circuits are ticketed and timed at Ukiah. Messages destined to points reached via Ukiah are handled over the direct Laytonville-Ukiah circuits. Laytonville may also reach Ukiah over an alternate route by way of Willits when necessary.

facilities. The use of the toll circuits for free calling by subscribers between Covelo, Laytonville, and Willits appears to be a material factor in the unsatisfactory operating conditions which now exist on the toll lines. Further, it appears that the practice of granting toll-free service to subscribers, while nonsubscribers are required to pay the filed toll rates for service between Covelo, Laytonville, and Willits, is discriminatory and is not in accordance with the toll and exchange principle upon which telephone rates are established generally throughout the state.

As a fundamental step in the provision of improved toll service over the Willits Company's toll facilities, a classified toll schedule based upon airline distance between points involved should be established applicable to subscribers and nonsubscribers alike. The schedule of toll rates requested by the Company in its application to increase rates is not in accordance with the basis generally used for establishing toll rates in this state and for that reason it will not be authorized. Exhibit A, attached hereto, sets forth the airline mileages between the exchanges, together with a table of toll rates, which are those generally applicable throughout the state for toll telephone service. Establishment of that toll schedule will serve several purposes, the most immediate of which will be to relieve to some degree the congestion now existing on the toll lines. It will also result in a uniform and non-discriminatory rate treatment.

As the revenue effects on the Willits Company of the toll rates which will be authorized cannot be determined with any degree of certainty at this time, the Commission will require the Willits Company to file monthly reports of its operations.

It is indicated that a portion of the lines of the Willits Company are single wire ground return circuits. The poor transmission complained of appears to result principally from inductive interference on such circuits. The Commission will require the Willits Company to remedy this situation as promptly as possible through the provision of full metallic circuits particularly in those areas where inductive interference makes the use of single wire ground return circuits unsatisfactory.

Complaint was made of party-line interference. A substantial number of lines have ten or more parties connected thereto and, under these circumstances, the cooperative use of lines by the subscriber is essential if reasonably adequate service is to be furnished. Rule and Regulation No. 18 of the Willits Company provides that exchange calls of a subscriber on a party line shall be limited to a maximum period of five minutes and this rule and regulation shall be enforced. However, the Willits Company should also endeavor, through appropriate publicity and other means, to secure the voluntary cooperation of its subscribers in the use of party lines.

The record in this proceeding indicates that the Willits Company has, in a number of instances, connected more than ten subscribers on a single suburban line. This practice results in further difficulties in the use of the service and is a violation of the filed tariff schedules. The Willits Company will be required to connect no more than ten subscribers on any line and is expected to provide sufficient facilities at the earliest practicable date to reduce the number of subscribers on a line to not more than ten.

The Willits Company's filed tariff schedules show that the only grades of service offered to subscribers are individual line business and residence service within the base rate area and ten-party line service outside the base rate area. Individual line business and residence service is also offered outside the base rate area and within the exchange area at the base rates plus mileage charges. The Willits Company has expressed its willingness to furnish two-party business and four-party residence service in addition to the grades of service now offered. These filings and offerings should be undertaken at the earliest practicable date.

The Willits Company has no program for financing its operations adequately. Likewise, it has failed to provide sufficient personnel to handle the volume of business offered and to take care of new business on any reasonable basis. The defendant Company should take immediate steps to procure the necessary capital to carry on its operations and to expand its facilities to meet the public requirements. The Willits Company has been unable to furnish satisfactory service with only one regular maintenance and construction employee.

The defendant Company should hire a sufficient number of employees to keep the required records, to maintain and operate its system properly, and to construct needed facilities with reasonable dispatch. It is apparent that the Company is diverting, to construction, both manpower and funds essential to the operation and maintenance of the system. The Company should immediately undertake a commercial survey in sufficient detail to determine the facilities which will be required to provide adequate service to residents in the area.

The Willits Company will be given a reasonable length of time to improve its operations and to furnish adequate telephone service. In order that the Commission may be informed as to the progress of the Company in undertaking a construction program to eliminate the present service deficiencies as rapidly as possible and to meet fully the public requirements for telephone service in the Covelo and the Laytonville exchanges, it will require the Willits Company to furnish periodic reports.

O R D E R

Public hearings having been held in the above-entitled complaint proceeding, the complaint matter having been submitted for decision, and based upon the record and upon the conclusions set forth in the preceding Opinion, the increases in charges which will result from the rates and changes herein ordered are hereby found to be justified; therefore,

IT IS HEREBY ORDERED that the Willits Telephone and Telegraph Company shall:

1. Connect no more than ten subscribers to a party line and submit a program within thirty (30) days after the effective date of this Order for providing the required facilities necessary to reduce the number of subscribers to not more than ten per line.
2. Enforce its filed Rule and Regulation No. 18 limiting length of conversation in connection with local calls of subscribers to party-line service. Where a subscriber repeatedly exceeds the five-minute limitation on local conversations and thereby interferes with the use of the line by other parties, the Willits Company is hereby authorized to disconnect temporarily the service after ten (10) days' notice in writing, setting forth the date and time of violations. The Willits Company

2. (Continued)

- shall reserve the telephone number and facilities to reconnect the telephone. If a subscriber is reconnected after being temporarily disconnected and continues to violate the five-minute limitation on local conversations, the service may be permanently disconnected upon written notice and the subscriber will be required to apply for service as a new applicant in the regular manner.
3. Submit to the Commission a construction program which will provide facilities to serve adequately the telephone requirements in its territory. This program shall be submitted to the Commission within ninety (90) days after the effective date of this Order.
 4. Provide full metallic circuits in those areas where inductive interference makes the use of single wire ground return circuits unsatisfactory for communication purposes. The Company shall submit monthly reports to the Commission showing the number of miles of grounded lines metallicized.
 5. Adhere to its filed tariffs governing hours of service and where hours of service presently being furnished are in excess of the hours indicated in the tariffs, revised tariff sheets shall be filed to conform therewith.
 6. Submit monthly reports of revenues and expenses, together with gross additions and retirements to plant during the next twelve months.

IT IS HEREBY FURTHER ORDERED that the Willits Telephone and Telegraph Company is hereby authorized to file, in accordance with General Order No. 96, within twenty (20) days after the effective date of this Order, and to make effective upon ten (10) days' notice to the public, the schedule of message toll telephone rates applicable to service furnished to subscribers and nonsubscribers between Covelo and Laytonville, between Covelo and Willits, and between Laytonville and Willits, as set forth in Exhibit A, attached hereto.

IT IS HEREBY FURTHER ORDERED that in view of the foregoing, Application No. 28732 is denied without prejudice.

The effective date of this Order shall be twenty (20) days after the date hereof.

The foregoing Opinion and Order are hereby approved and ordered
filed as the Opinion and Order of the Public Utilities Commission of the State
of California.

Dated at San Francisco, California, this 25th day
of November, 1947.

Harold P. Hule

Justin F. Gaerem

Earl Powell

R. B. Jones

Samuel Patten

Commissioners

Cal. P.U.C. Sheet No. _____

Cancelling _____ Original Cal. P.U.C. Sheet No. 15-16-T

SCHEDULE NO. B-1

Message Toll Telephone Service

APPLICABILITY

Applicable to message toll telephone service furnished by the Willits Telephone and Telegraph Company.

TERRITORY

Between the toll points listed.

RATES

(1) Basis of Rates Between Any Two Toll Points:

Rate	Mileage	Station-to-Station		Person-to-Person		Weekday, Night, and Sunday		Weekday, Night, and Sunday	
		Initial Period	Overtime	First	Each	First	Each	First	After
Over	Incl.	Period	Period	Mins.	Min.	3 Mins.	3 Mins.	3 Mins.	3 Mins.
0	- 12	\$0.10 (3)	\$0.05 (2)	\$0.20	\$0.05	\$0.20	\$0.05	\$0.05	\$0.05
12	- 18	.15 (3)	.05 (1)	.25	.05	.25	.05	.05	.05
18	- 24	.20 (3)	.05 (1)	.25	.05	.30	.10	.05	.05
24	- 32	.25 (3)	.05 (1)	.25	.05	.35	.10	.05	.05
32	- 40	.30 (3)	.10 (1)	.30	.10	.40	.10	.10	.10
40	- 48	.35 (3)	.10 (1)	.35	.10	.50	.15	.10	.10

(2) Rate Mileage and Station-to-Station Initial Period Rates Between Toll Points:

Between	And	Rate Mileage	Initial Period Station-to-Station Rate
Covelo	Laytonville	15 miles	\$0.15
Covelo	Willits	26 miles	.25
Laytonville	Willits	20 miles	.20

(Continued)

(To be inserted by utility)

Issued by _____

(To be inserted by Cal. P.U.C.)

Advice Letter No. _____

Date Filed _____

Decision No. _____

Name _____

Effective _____

Title _____

Resolution No. _____

Cal. P.U.C. Sheet No. _____

Cancelling Original Cal. P.U.C. Sheet No. 15-16-T

SCHEDULE NO. B-1

Message Toll Telephone Service
(Continued)

CONDITIONS

1. The above station-to-station rate of \$0.10(3) \$0.05(2) indicates that the charge is 10 cents for an initial period of three minutes and 5 cents for each additional two-minute period, or fraction thereof.

2. Measurement of Rate Mileage:

- a. For the purpose of applying rates where the airline distance between points is 40 miles or less, the distance shall be as the airline distance between post offices as found on the Post Route Map.
- b. Where the airline distance between points is greater than 40 miles but not more than 350 miles, distance shall be determined as the airline distance between the center of blocks seven miles square within which the points of communication are located.
- c. The block and section scaling system for purposes of measuring toll rate distance between points more than 40 miles distant by direct measurement, shall consist of a grid containing sections 35 miles square, each section subdivided into 25 blocks 7 miles square, so placed on a polyconic projection of a Government survey map of the United States that section lines coincide with a line drawn approximately north and south through the center of the United States and with a line at right angles thereto passing through the northwestern point of the international boundary line in the Strait of Georgia.

3. Classes of Service:

Two classes of toll telephone service are offered; namely, station-to-station service and person-to-person service.

a. Station-to-Station Service:

Station-to-station service is that service under which the person originating the call gives only the telephone number of the station or private branch exchange system desired or the name and address under which the telephone is listed and does not specify a particular person or private branch exchange station to be reached at the called point.

(Continued)

(To be inserted by utility)

Issued by _____

(To be inserted by Cal. P.U.C.)

Advice Letter No. _____

Date Filed _____

Decision No. _____

Effective _____

Resolution No. _____

Cal. P.U.C. Sheet No. _____
Cancelling Original Cal. P.U.C. Sheet No. 15-16-T

SCHEDULE NO. B-1

Message Toll Telephone Service
(Continued)

CONDITIONS (Continued)

3. Classes of Service:(Continued)

a. Station-to-Station Service (Cont'd.)

The measurement of the duration of a station-to-station call for the purpose of the application of rates shall begin at the moment telephone communication is established between the calling station and the called station or private branch exchange switchboard.

b. Person-to-Person Service:

Person-to-person service is that service under which orders are accepted to establish communication between specified persons.

The measurement of the duration of a person-to-person call for the purpose of the application of rates shall begin at the moment when communication begins with or between the particular person or persons specified in the order.

4. Collection of Charges:

Charges for all classes of telephone calls are billed against or collected from the calling telephone in all cases, except that upon request toll charges on calls may be billed against or collected from the called telephone (i.e., charges may be reversed) if the charges are accepted at the called station.

Reversal of charges on station-to-station calls is permitted when "anyone" answering accepts the charges.

5. The rates applicable to toll telephone service between points on the lines of this company and points reached over the lines of connecting companies are the regularly published rates of the connecting companies.

(To be inserted by utility)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. _____

Date Filed _____

Decision No. _____

Name

Effective _____

Title

Resolution No. _____