

Decision No. 41623

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application  
of Delta Telephone and Telegraph  
Company, a corporation, for  
permission to establish direct  
toll rates on traffic inter-  
changed with connecting company,  
and to make certain changes in  
intra Delta Company toll rates

Application No. 29300

Gerald R. Johnson, for Applicant; and  
J. J. Deuel and Alex Meyer, for  
California Farm Bureau Federation

O P I N I O N

In this application, Delta Telephone and Telegraph Company seeks authority: (1) to establish direct rates for message toll telephone and telegraph traffic interchanged with connecting companies; (2) to apply the same level of rates for intra-Delta Company message toll telephone traffic as that which would prevail under direct rates for traffic interchanged with the connecting company; and (3) to increase telegraph rates for service between Sacramento and Delta Company points to The Western Union Telegraph Company's level. Adoption of Applicant's proposed rate modifications is estimated to result in net annual savings in charges to California telephone users of \$35,192.

A public hearing was held in this proceeding at Courtland, California, on May 17, 1948, before Examiner Wessells, at which time the matter was submitted for decision.

Delta Company is engaged in a general telephone and telegraph business furnishing service to certain communities along the Sacramento River, south of the City of Sacramento. Three dial

exchanges are operated, one each at Courtland, Isleton, and Walnut Grove, to which are connected a total of approximately 1,300 stations. Delta Company also operates toll lines connecting its three exchanges and also connects with toll facilities of The Pacific Telephone and Telegraph Company at Sacramento. Approximately two-thirds of Applicant's revenue is derived from toll service and one-third from local exchange service.

Applicant has now on file with the Commission schedules of rates and charges for message toll telephone service applicable between points reached wholly over its lines. Such toll rates differ from those which apply over the lines of the connecting company at Sacramento with respect to the duration of the initial period for station service, the level of rates for person service, and the application of report charges. If the level of toll rates of the connecting company is applied to the intra-Delta Company traffic, as proposed by the Applicant, annual charges to customers would be increased an estimated \$11,407. These increases, it is estimated, would be more than offset by annual reductions in charges of \$46,349 on traffic interchanged with the connecting company under direct rates. Uniformity of time for the initial period and of level of rates for intra- and inter-company traffic appears desirable for efficient operation and service to the public.

Applicant also has rates filed for telegraph service furnished between Sacramento and points on its lines. The telegraph rates are 20% lower than those of the Western Union and are on an other line basis. The combined effect of increasing telegraph rates to the Western Union level and applying direct rates on telegraph traffic interchanged with connecting companies is estimated to save customers \$250 on an annual basis.

Rates proposed by the Applicant for message toll telephone service and for telegraph service are set forth in Exhibit B

attached to the application. Examples of present and proposed rates for a three-minute station day conversation are shown in the following tabulation:

RATE FOR THREE-MINUTE STATION DAY  
CONVERSATION

<u>Between Courtland and:</u>	<u>Present</u>	<u>Proposed</u>	<u>Reduction</u>
Antioch	\$0.50	\$0.25	\$0.25
Concord	.55	.30	.25
Dixon	.35	.15	.20
Isleton	.10	.10	-
Lodi	.45	.20	.25
Sacramento	.15	.15	-
San Francisco	.70	.40	.30
Stockton	.55	.25	.30

The \$35,192 net annual reduction in charges under Applicant's proposed rates will, it is estimated, be distributed as follows: \$17,435 to Delta Company customers and \$17,757 to connecting company customers. The estimated reduction in revenues of the Delta Company under the proposed rates and after settlement arrangements with connecting companies is in the amount of \$3,600 on an annual basis.

Evidence as to estimated earning results of the Delta Company for the year 1948 under present and proposed rates was presented by an engineer of the Commission's staff in Exhibit 1, which shows a rate of return of 8.1% under present rates and 7.0% under proposed rates.

No protest to the granting of the application was made by any subscriber or interested party at the public hearing in this matter. Mr. Dunlop, Senior Utilities Engineer of the Commission's staff, as a witness, recommended the granting of the application and further recommended that a minimum charge of ten cents be made effective for a three-minute station conversation on traffic interchanged with the connecting company.

In view of the substantial savings and benefits to users of telephone service in California under Applicant's proposal, we

EXHIBIT A  
Sheet 1 of 2

SCHEDULE NO. B-1

MESSAGE TOLL TELEPHONE SERVICE

APPLICABILITY:

Applicable to station, person and appointment and messenger interexchange toll telephone service over the lines of Delta Telephone and Telegraph Company.

RATES:

(1) Mileages and Corresponding Rates for Different Classes of Service:

Mileage Up to and Over	Incl.	Station Service				Person & Appointment & Messenger Service		
		Day, Night and Sunday				Day, Night and Sunday		
		Paid		Collect		Paid and Collect		
		First	Each	First	Each	First	Each Additional Minute	
		3	Add'l	3	Add'l	3	First 3	Over 3
		Min.	Min.	Min.	Min.	Min.		
0 - 12		\$0.10	\$0.05*	\$0.25	\$0.05	\$0.25	\$0.05	\$0.05
12 - 18		.15	.05	.25	.05	.30	.10	.05
18 - 24		.20	.05	.25	.05	.35	.10	.05
24 - 32		.25	.05	.25	.05	.40	.10	.05

\* \$0.05 for each 2 minutes of overtime.

(2) Station Service Initial Period Rates between any Two Points:

	<u>Courtland</u>	<u>Isleton</u>	<u>Rio Vista</u>	<u>Sacramento</u>	<u>Walnut Grove</u>
Courtland	\$ -	\$0.10	\$0.15	\$0.15	\$0.10
Isleton	0.10	-	.10	.25	.10
Rio Vista	.15	.10	-	.25	.10
Sacramento	.15	.25	.25	-	.25
Walnut Grove	.10	.10	.10	.25	-

CONDITIONS:

1. Rates between points on the lines of the Delta Telephone and Telegraph Company and points reached over the lines of The Pacific Telephone and Telegraph Company and its connecting companies, are the rates quoted by The Pacific Telephone and Telegraph Company.
2. 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.

EXHIBIT A

Sheet 2 of 2

SCHEDULE NO. C-1

TELEGRAPH SERVICE

APPLICABILITY:

Applicable to telegraph service between Sacramento and points on the lines of the Delta Telephone and Telegraph Company as listed below:

RATE:

	<u>FULL RATE TELEGRAM</u>		<u>DAY LETTERS</u>	
	First 10 Words or Less	Each Add'l Word	First 50 Words or Less	Each Add'l 10 Words
<u>Between Sacramento and:</u>				
Courtland	\$0.36	\$0.03	\$0.54	\$0.096
Isleton	.36	.03	.54	.096
Rio Vista	.36	.03	.54	.096
Walnut Grove	.36	.03	.54	.096

	<u>NIGHT LETTERS</u>	
	First 25 Words or Less	Rate for Each Add'l 5 Words or Less
<u>Between Sacramento and:</u>		
Courtland	\$0.288	\$0.012
Isleton	.288	.012
Rio Vista	.288	.012
Walnut Grove	.288	.012

CONDITIONS:

1. In the determination of the total charge for a message, when using the tables above, a fraction of a cent is considered as a whole cent.
2. Rates between points on the lines of the Delta Telephone and Telegraph Company and points on the lines of The Western Union Telegraph Company and the lines of The Pacific Telephone and Telegraph Company, and their connecting companies, are the rates quoted by The Western Union Telegraph Company, and The Pacific Telephone and Telegraph Company.

conclude that the application should be granted. It appears, however, that the minimum charge for message toll telephone traffic interchanged with the Pacific Company should not be less than ten cents and the Order which follows will so provide.

O R D E R

Request having been made by the Delta Telephone and Telegraph Company for authority to make certain changes in telephone and telegraph rates and charges, and the matter having been submitted for decision, the Public Utilities Commission hereby finds as a fact that the increases in rates and charges herein sought are justified, therefore

IT IS ORDERED as follows:

1. Applicant is authorized and ordered to file and publish in accordance with General Order No. 96, the rates for message toll telephone and telegraph service set forth in Exhibit A, attached hereto, and on toll telephone traffic interchanged with The Pacific Telephone and Telegraph Company to apply a minimum charge of ten cents for station service.
2. Applicant is authorized and ordered on not less than one (1) day's notice to the Commission and to the public to make said rates effective for service furnished on and after June 21, 1948.

This Order shall become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 25<sup>th</sup>  
day of May, 1948.

R. B. Johnson  
Justice F. Cravens  
Wright H. Taggart  
Harold P. Huls  
Samuel W. Potter  
Commissioners.