

ORIGINAL

Decision No. 43134

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of PUBLIC UTILITIES CALIFORNIA  
CORPORATION, a corporation, for  
Authority to Adopt Direct Toll  
Rates for Inter-Company Telephone  
Messages, and to Adjust and In-  
crease Intrastate Rates and Charges  
Applicable to Telephone Exchange  
Service and to Intra-Company Toll  
Telephone Service.

Application No. 30023

Orrick, Dahlquist, Neff & Herrington, by George H. Johnston and Warren A. Palmer, for applicant;  
California Farm Bureau Federation by J. J. Deuel  
and Edson Abel; District No. 2, Modoc County, by  
P. J. Laxague, Supervisor; Modoc County by  
Charles Lederer, District Attorney; Clear Creek  
Improvement Association by R. E. Warwick; Lake  
Almanor Group by W. T. Hale; Lassen Telephone Company  
by A. V. Schiller, Manager; Susanville Chamber of  
Commerce by M. D. McKenzie; Big Springs, Lake Almanor,  
by A. Doreo; Rio Vista Chamber of Commerce by  
John R. Ave.

## O P I N I O N

Public Utilities California Corporation in this proceeding seeks authority to adjust and increase the rates charged for exchange telephone service in 15 of the 25 exchanges it operates in northern California, to revise the rates charged for intra-company toll service in its Susanville division and to eliminate the "other-line" charges on toll calls to or from points outside the Susanville Division.

Public hearings on this application were held in San Francisco before Examiner O'Brien, on March 7 and March 14, 1949, and on the latter date applicant's motion for interim increases was taken under submission. Additional hearings were held in Ferndale on June 6, in Alturas on June 7, in Susanville on June 8, and in Rio Vista

on June 10, 1949, after due notice to the political subdivisions and subscribers affected.<sup>1/</sup>

Applicant is engaged in a general exchange and toll telephone and telegraph business in the counties of Modoc, Lassen, Shasta, Tehama, Plumas, Sacramento, Solano and Humboldt in the State of California.<sup>2/</sup> It is a wholly owned and operated subsidiary of the Citizens Utilities Company of Greenwich, Connecticut. Twenty-two of the 25 exchanges of the applicant are located in northeastern California in what is known as the Susanville division, the two principal exchanges being at Alturas and Susanville. The applicant owns the toll lines connecting the 22 exchanges, and maintains connection for interchanged messages with The Pacific Telephone and Telegraph Company, California-Oregon Telephone Company, West Coast Telephone Company, Lassen Telephone Company, Northern Counties Utility Company, and Bell Telephone Company of Nevada. Two of the other three exchanges are located at Elk Grove and Ferndale, where connection for interchanged messages is maintained with the Pacific Company; the third is located at Rio Vista and connection for interchanged messages is maintained with the Pacific Company and with Delta Telephone and Telegraph Company. As of May 31, 1949, the applicant was serving 5,800 stations in total. Over 60% of the company's telephone revenue is derived from toll service.

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<sup>1/</sup> Evidence was presented on behalf of Applicant by R. L. Rosenthal, J. C. Briggs, M. C. O. Brogger, and W. P. Held (cost of money and rate of return), and D. A. Perigo (construction program and results of operation).

Evidence was presented on behalf of other parties by witnesses for the County of Modoc, the community of Likely, the Clear Creek Improvement Association, the Lake Almanor Group and Big Springs on Lake Almanor, the Susanville Chamber of Commerce, the Lassen Telephone Company, the Rio Vista Chamber of Commerce, and the California Farm Bureau Federation (service problems).

Evidence was presented on behalf of the Commission's staff by S. Weber (general expenses, taxes, and summary of earnings), M. J. Kimball (operating revenues and expenses, service and rates), R. W. Beardslee (fixed capital and rate base, depreciation expense and reserve), and J. F. Donovan (financial statements).

<sup>2/</sup> It is also engaged in the public utility water business in the counties of Santa Cruz, San Mateo, Alameda, Sonoma, and Sacramento.

During the period 1943-1948 applicant's telephone revenues increased 51.8%, whereas its expenses, before taxes and depreciation, increased 74.6%. During this period its investment in telephone plant increased from \$608,546.33 to \$1,077,967.21, an increase of 77%. Applicant estimates that by the end of 1949 its investment in telephone plant in service and under construction will approximate \$1,740,000. Substantial wage increases were granted in 1948. These increases were a major cause of the increase in expenses between 1948 and 1949. Applicant bases its justification for an increase in rates on the post-war rise in all costs to which it is subjected.

Applicant's general manager of telephone operations presented testimony as to the earning results of its total telephone operations for 1948, and the estimated earning results for 1949 at present and proposed rates. Members of the Commission's staff presented evidence as to the earning results for 1947 and 1948, and estimated results for 1949 at present rates. These earning results are summarized as follows:

Item	Revenue	Expense	Balance : Avg. Rate: Rate :		
			Net	Base	of
			Revenues	(Deprac.)	Return
Company (Revised Exh. D)					
1948	\$444,533	\$396,135	\$48,398	\$ 832,041	5.82%
1949, Present Rates	478,627	425,432	53,195	1,241,732	4.28
1949, Proposed Rates	554,627	456,200	98,427	1,241,732	7.93
CPUC Staff (Exh. 30)					
1947	389,461	331,991	57,470	643,100	8.94
1948	444,533	396,135	48,398	818,000	5.92
1949, Present Rates	534,700	469,300	65,400	1,166,800	5.61

The principal differences between the company and staff estimates for 1949 at present rates are due to the fact that the staff had available the actual operating results for four months in preparing Exhibit 30, compared to the one month's operations which were available at the time Revised Exhibit D was prepared by the company. Also, the results of one month's operations under the increased toll rates made effective by the Pacific Company on March 21, 1949 were available to the staff.

The difference in rate base results from two factors:

(1) the use of weighted monthly average capital by the staff, as compared with the beginning-and-end-of-year average used by applicant; and (2) recognition by the staff of the availability of tax accrual moneys to cover a portion of the gross working cash capital requirements which both applicant and the staff estimated to be one-twelfth of operating expenses excluding taxes and depreciation. ?

Applicant has made arrangements with the Pacific Company for the exchange of Susanville division toll messages at Herlong, near Susanville, and at Alturas. At present the major portion of the inter-company toll traffic from Alturas and Susanville is transmitted to Reno over lines of applicant. The new points of connection will provide additional circuits which are expected to be adequate to handle the traffic and will eliminate the necessity of constructing additional circuits from Alturas and Susanville to Reno. These points of connection will reduce applicant's share of the line haul appreciably but increased toll traffic should result from the elimination of "other-line" rates and provision of sufficient circuits to handle the traffic. A saving in maintenance expense should also be realized. The new points of connection will not be in use before the first quarter of 1950 and any effects on toll revenue and maintenance expense resulting therefrom are not reflected in the estimates herein.

Applicant makes payments to Citizens Utilities Company which appear on its books as operating expenses and capital charges. The basis for determination of these fees was not adequately explained at the hearings and the company will be required to submit actual cost records of this service in justification thereof.

The record shows that many informal complaints regarding the service provided by applicant during the last four years have been received by the Commission. The majority of these complaints related to service in the Susanville division. A number of people appeared at the

hearings either on their own behalf or as witnesses for organizations to protest the granting of any rate increases until the service was improved. Representatives from Likely appeared to request the provision of adequate service. The main cause of complaint has been poor toll service although a number of complaints have been received because of inability to obtain telephone service and because of the limited hours of service provided in certain of the company's exchanges. The new points of connection discussed above should help considerably in relieving the toll circuit condition to Reno. The record shows that additional circuits are required between Alturas and Redding before satisfactory toll service will be available to subscribers in that area. Witness for the applicant testified that negotiations were in progress which would provide circuit relief between Burney and Redding, and that it would increase operating expenses about \$15,000 per year to provide 24-hour service in Bieber, Burney, Fall River Mills, and Greenville. In view of the requests for 24-hour service, the expense will be allowed and said service ordered to be made effective as of the effective date of the rates, and the company should submit a program for providing additional toll circuits between Alturas and Burney.

The record shows that the applicant does not now offer suburban service in a number of its exchanges. The application contains proposed rates for suburban service in each of the 15 exchanges under consideration, and rates for such service are included in Exhibit A, attached hereto. Applicant should give consideration to filing rates for suburban service in each of the other ten exchanges where no rates are presently filed.

Applicant's construction plans are designed to provide sufficient facilities to take care of present held orders. These plans include the rebuilding and reinforcing of the outside plant at Alturas and Susanville and the installation of dial equipment in these

two exchanges. The record shows that applicant has not fully met the service requirements in the past and witness for the applicant testified that dial installations would provide the best method of furnishing the required service at Alturas and Susanville. The Commission will expect the company to proceed with its program to install this dial equipment, as set forth in revised Exhibit 2.

Witnesses for applicant and for the Commission's staff testified that commercial and physical plant records maintained by applicant were inadequate and in many cases inaccurate. Applicant estimates that at least \$15,000 additional expenses would be incurred in setting up an adequate system of records. In Decision No. 37457, in Case No. 4744, the Commission ordered applicant to establish a contingency reserve of \$10,000 to be used at some future date, upon authorization of the Commission, for expenses which the Commission deemed proper. The cost of establishing an adequate system of records is hereby found to be a proper expense for the use of this reserve and the following order will so authorize. Inasmuch as the expense is non-recurring, an operating expense allowance of \$1,000 per year will be authorized to amortize the balance of \$5,000 over a five-year period.

A member of the Commission's staff cited a number of service irregularities and tariff violations and applicant will be expected to eliminate them as soon as possible. Included among them are: (1) a situation in the Rio Vista exchange where applicant has not established ownership of certain outside plant facilities used in providing telephone service; (2) in several exchanges the number of subscribers on certain lines exceeds the number permitted under the tariffs; (3) in Alturas an Intercommunicating System Service and Private Branch Exchange Service are being furnished with only one trunk each, whereas the tariffs provide a minimum of two trunks; (4) in Susanville a number of two-party residence services are being furnished at business rates, there being no two-party residence rates on file.

Also, service is being furnished in Elk Grove under a schedule which provides for subscriber-owned lines and equipment and company maintenance of lines and equipment. The offering of this service should be discontinued. In order to expedite completion of the construction program required to eliminate the irregularities and improve the service, the applicant should augment its construction force as promptly as possible.

The present tariffs are difficult to use, with many differences in requirements between exchanges. The following order will provide for consolidated rate schedules and rules and regulations.

The present exchange rates of the company have been in effect with only minor revisions since 1919, except for the dial exchanges of Canby, Cedarville, Eagleville, Lake City and Fort Bidwell and the magneto exchange of Adin, which exchanges were established within the last two years. The present rates for toll service have been in effect since 1944, under authority of Decision No. 37457, at which time the report charge was eliminated and certain overtime rates reduced. The exchange rates proposed by the applicant grouped the exchanges into three classifications.

The record has been considered carefully, and shows that some increase is justified. The rates to be made effective are set forth in Exhibit A, attached hereto. These rates give consideration to the over-all telephone operations of the company, and the operations in the several areas served.

Applicant requested that the proposed toll rates be made effective in the Susanville division. The following order provides that the proposed toll rates shall be made effective in the Susanville division and also for the Rio Vista operations in order to facilitate the administration of the schedule. The revenue effect of the proposed toll rates on the Rio Vista operation appears nominal.

Applicant also requested the elimination of the wall set differential in all the exchanges where increased rates were proposed. The majority of the wall sets in service are in exchanges scheduled for conversion to dial. To eliminate the differential at this time, and require the payment of a move and change charge from subscribers desiring desk or hand set instruments, does not appear reasonable when the change would be made without charge at the time the station equipment is converted to dial. The most equitable treatment will be to retain a wall set differential of 25 cents where a differential now exists and to authorize the elimination of the differential when an exchange is converted to dial, at which time the subscriber will have the option of obtaining the type of instrument desired without a move and change charge.

Applicant's request for increases in PBX equipment and trunk rates, move and change charges, and service connection charges will be granted to the extent set forth in Exhibit A attached.

Applicant has scheduled the conversion of its Chester exchange to dial on September 1, 1949, and requested in a supplemental application that the present rates for Chester remain in effect until the date of the cutover at which time the level of rates identical with those proposed for other dial exchanges would become effective. The rates for magneto service at Chester will not be changed, and the rates for dial service will be authorized in a supplemental order after a showing by the applicant as to the date on which the dial service will be inaugurated. Applicant requested permission to discontinue four-, six-, eight- and unlimited-party business and six-, eight-, and unlimited-party residence service. However, due to the facility situation, it also requested permission to continue such services to existing subscribers, on a deviation basis, until facilities can be provided for upgrading to normal grades of service. These requests will be granted.



Applicant presented in Exhibit F-3, attached to the application, a proposed line extension rule which provides for 1,000 feet free extension per customer with a charge of \$10 per 100 feet beyond the free footage and recomputation of the charges under certain conditions. The charge for extensions beyond the 1,000 feet appears to be excessive and a charge of \$5 per 100 feet will be authorized.

Testimony introduced by the staff shows that the base rate areas of several exchanges do not include the developed areas where service is warranted at base rates. Applicant should make surveys of service conditions in each exchange, and, in connection therewith, will be expected to submit proposals for appropriate revisions of the base rate areas. Testimony regarding the proper boundaries for the Rio Vista base rate area is in the record, and the filing of a map setting forth this area will be ordered. Applicant will also be ordered to file a revised base rate area map for the Susanville exchange to include developed territory where service at base rates is warranted.

The exchange rates adopted herein are estimated to produce approximately \$38,300 of additional gross revenue per year, which will provide for the estimated \$15,000 of expense associated with the furnishing of 24-hour service in Bieber, Burney, Fall River Mills, and Greenville, \$1,000 for the amortization of a portion of the record expense, as discussed previously, and \$3,700 of net toll revenue reduction resulting from the adoption of direct rates and revised intra-company rates, the remainder being available to increase the company's earnings.

In view of the fact that final rates are being made effective by this order, the motion for interim rates is denied.

O R D E R

The above-entitled application having been filed, public hearings having been held, and the matter having been submitted,

IT IS HEREBY FOUND AS A FACT that the increases in rates and charges authorized herein are justified, therefore

IT IS HEREBY ORDERED as follows:

1. That applicant is authorized to file the schedules of exchange rates as shown in Exhibit A attached hereto, and rules and regulations, acceptable to the Commission, governing relations with its customers.
2. That applicant shall file the schedule of toll rates introduced as Revised Exhibit G-2 at the hearing at Ferndale on June 6, 1949, to be effective in the Susanville division and the Rio Vista exchange.
3. That applicant shall file a map showing a base rate area for the Rio Vista exchange, with boundaries described as follows: Follow the Rio Vista City corporate limits except (a) to the south, follow the extension of Second Street, keeping 100 feet west along this street and the entrance road to the U.S. Engineers property and continuing to the limit of their property, thence to the river, and (b) to the north, follow 1,000 feet from the river for  $1\frac{1}{2}$  miles north to include the property of the Olympian Dredge Company and adjoining residences.
4. That applicant shall file a map showing a base rate area for the Susanville exchange, the boundaries of the base rate area to be located so as to include all territory where development warrants the provision of service at base rates.
5. That the rates, rules and regulations, and maps covered by this order shall be filed as a consolidated schedule with this Commission after the effective date of this order in conformity with General Order No. 96, and after not less than five (5) days' notice to the Commission and to the public the toll rates shall become effective for service rendered on and after August 21, 1949, and the exchange rates shall become effective for service rendered on and after September 1, 1949.
6. That applicant is authorized to withdraw the offering of wall set service in an exchange at such time as the exchange is converted to dial operation.
7. That applicant shall provide 24-hour telephone service in the Bieber, Burney, Fall River Mills, and Greenville exchanges on and after September 1, 1949.

The rates shown in the following schedules are applicable in all exchanges of applicant, unless specified for particular exchanges. Present rates for Adin, Bella Vista, Chester, Crescent Mills, Doyle, Ingot, Keddie, Likely, Mineral, Montgomery Creek, and Ravendale are to be consolidated with the schedules showing the rates set forth as follows:

Schedule A-1

BUSINESS ONE- AND TWO-PARTY AND  
RESIDENCE ONE-, TWO- AND FOUR-PARTY SERVICE  
WITHIN THE BASE RATE AREA

Exchange	Primary Service				
	Monthly Rate - Each Primary Station				
	Residence			Business	
	Flat Rate Service			Flat Rate Service	
	One-Party	Two-Party	Four-Party	One-Party	Two-Party
Alturas	\$3.50	\$3.00	\$2.50	\$5.25	\$4.50
Bieber	3.00*	-	2.25*	4.00*	3.50
Burney	3.25*	-	2.25	4.25*	3.50
Canby	3.50	-	2.50	4.75	4.00
Cedarville	3.50	-	2.50	4.75	4.00
Eagleville	3.50	-	2.50	4.75	4.00
Elk Grove	2.75*	2.50*	2.00	3.75*	3.00*
Fall River Mills	3.00*	-	2.25*	4.00*	3.50
Ferndale	3.25*	2.75*	2.25*	4.75*	4.00*
Fort Bidwell	3.50	-	2.50	4.75	4.00
Greenville	3.00	-	2.25*	4.00	3.50
Lake City	3.50	-	2.50	4.75	4.00
Rio Vista	2.25*	2.00*	1.75*	3.00*	2.25*
Susanville	3.50	3.00	2.50*	5.25	4.50

\* Wall set differential of 25¢ is applicable in accordance with Exchange Service Schedule No. A-1(b) as set forth in this exhibit.

<u>Extension Stations</u>	<u>Residence</u>	<u>Business</u>
Each Extension Station	\$1.00	\$1.25

Wall set differential of 25¢ is applicable to extension stations in the Bieber, Burney, Elk Grove, and Fall River Mills exchanges in accordance with Exchange Service Schedule No. A-1(b) as set forth in this exhibit.

Rates for extension station with signal and listing in the Alturas, Chester, Greenville, and Susanville exchanges are authorized to be cancelled.

In the Chester exchange, the present rates for extension stations are to remain unchanged until the conversion to dial operation.

Schedule A-1(a)

BUSINESS FOUR- OR MORE-PARTY AND  
RESIDENCE SIX- OR MORE-PARTY SERVICE  
WITHIN THE BASE RATE AREA

Exchange	Monthly Rate - Each Primary Station						
	Residence Flat Rate		Business Flat Rate				
	Service		Service				
	6-Party	8-Party	Unltd.-Party	4-Party	6-Party	8-Party	Unltd.-Party
Alturas	\$2.25			\$4.25	-		
Bieber	-			3.25*	-		
Burney	-	\$2.75*		-	-		\$3.50*
Canby	-			3.75	-		
Cedarville	-			3.75	-		
Eagleville	-			3.75	-		
Elk Grove	2.00*			-	-		
Fall River Mills	-			3.25*	-		
Ferndale	2.00*			3.75*	\$3.50*		
Fort Bidwell	-			3.75	-		
Greenville	-			3.25*	-		
Lake City	-			3.75	-		
Rio Vista	-			2.00*	-		
Susanville	-	\$2.50*		4.25*	-	\$4.25*	

The above rates apply only to stations in service as of the effective date of this schedule, furnished to the same subscriber on the same premises, and service under this schedule will be discontinued to any particular subscriber when the company offers to provide business two-party or residence four-party service to that subscriber as the class of service furnished may require.

\* Wall set differential is applicable in accordance with Exchange Service Schedule No. A-1(b) as set forth herein.

Business and Residence Ten-Party Service

Rates for business and residence ten-party service in the Ferndale exchange are authorized to be cancelled.

Unlimited-Party, Grounded Line Service

The rate for this service in the Burney exchange is authorized to be cancelled.

Schedule No. A-1(b)

WALL TELEPHONE SET

APPLICABILITY

Applicable to wall set stations.

TERRITORY

Within all exchanges, as said exchanges are defined on maps filed as part of the tariff schedules.

RATES

Each Wall Set Station:  
Station rate less \$0.25 per month.

Schedule No. A-1(b) (cont'd.)

CONDITIONS

1. This differential shall apply only to services furnished with wall set station equipment for which a reduced rate was charged, in accordance with the filed tariffs, prior to September 1, 1949.
2. This differential will cease to apply after September 1, 1949, in the event of a change in the class, type, grade or location of the service. Where the change in grade of service is initiated by the company, the subscriber shall be provided with the type of instrument which he desires and the change charge shall be waived.
3. This differential will cease to apply upon conversion of service to dial telephone operation.

SEMI-PUBLIC SERVICE

1. Each local service individual line coin box station:

<u>Exchange</u>	<u>Min. Chg. per day</u>	<u>Exchange</u>	<u>Min. Chg. per day</u>
Alturas	\$ .20	Fall River Mills	\$ .15
Bieber	.15	Ferndale	.20
Burney	.15	Fort Bidwell	.18
Canby	.18	Greenville	.15
Cedarville	.18	Lake City	.18
Eagleville	.18	Rio Vista	.20
Elk Grove	.20	Susanville	.20

2. Each exchange message \$ .05
3. Extension station rate:  
Each extension desk or hand set station  
without coin box or dial \$1.25 per mo.

COMMERCIAL AND HOTEL PBX SERVICE

	<u>Rate per Month</u>	<u>Install. Charge</u>
1. Switchboards:		
3 x 10 cordless	\$5.00	\$50.00
5 x 16 cordless	7.50	80.00
Cord type, Non-mult. - 40 lines or less	12.00	120.00
" " " - 41-80 lines	15.00	180.00
" " " - over 80 lines	20.00	250.00
2. Trunk rates, each trunk - 150% of individual line desk set rate.		
3. Station rate:		
Not in guest room	\$1.25	
In guest room	.75	

Note: Cancel Schedule No. A-3(a)

BUSINESS INTERCOMMUNICATING SYSTEM FLAT RATE SERVICE

	<u>Rate per Month</u>
1. Trunk rate, each trunk	150% of individual line desk set rate
2. Station rate	\$1.25

Note: The above rates apply only to services ordered or installed prior to September 1, 1949. As of September 1, 1949, the offering of this service shall be discontinued, and the service shall continue to be furnished only to the same subscriber on the same premises.

MILEAGE RATES

	<u>All Exchanges</u>
	<u>Rate per Mo. each <math>\frac{1}{2}</math> mile or fraction thereof. Airline measurement</u>
1. Within suburban area:	
Each individual line primary station	\$0.50
" two-party " " "	.35
" four-party " " "	.25
" PBX or ICS trunk line	.50
" battery supply circuit	.50
" ringing power supply circuit	.50
Terminals in different buildings on continuous property, over 300 feet apart	1.00
Terminals on non-continuous property	
First $\frac{1}{2}$ mile or fraction thereof	2.00
Each additional $\frac{1}{2}$ mile or fraction thereof	1.00

SUBURBAN SERVICE

<u>Exchange</u>	<u>Monthly Rate - Each Primary Station</u>	
	<u>Residence</u>	<u>Business</u>
Alturas	\$3.00	\$4.25
Bieber	2.75*	3.50*
Burney	2.75	3.50
Canby	3.25	4.00
Cedarville	3.25	4.00
Eagleville	3.25	4.00
Elk Grove	3.00*	3.50*
Fall River Mills	3.50*	4.00*
Ferndale	2.75*	3.75*
Fort Bidwell	3.25	4.00
Greenville	2.75	3.50
Lake City	3.25	4.00
Rio Vista	2.00*	2.00*
Susanville	3.00	4.25

SUBURBAN SERVICE (cont'd.)

- \* Wall set differential of 25¢ is applicable in accordance with Exchange Service Schedule No. A-1(b) as set forth in this exhibit.

The following condition shall be cancelled: "The maximum length of circuit beyond the base rate area is one-half mile per station."

Suburban service shall be offered only in the suburban area. The suburban area shall include that portion of the exchange area located outside the base rate area.

FARMER LINE SERVICE

<u>Exchange</u>	<u>Rate per Month</u>	
	<u>Residence</u>	<u>Business</u>
Alturas	\$0.50	\$0.75
Bieber	.50	.75
Burney	.50	.75
Canby	.50	.75
Fall River Mills	.50	.75
Greenville	.50	.75
Susanville	.50	.75

- Notes: 1.. Farmer line exchange charges shall be payable monthly in advance..
- 2.. Service will be rendered to less than three subscribers, provided the total minimum exchange revenue of each circuit is not less than that of three residence stations.
3. Farmer line service will be furnished to lines as a whole only. It shall be the duty of the members of each farmer line to appoint or designate a secretary or manager for such line and no new member shall thereafter be connected to said line nor will the company assign a number to a new member on such line except on written authority from such secretary or manager.. Telephone service will be furnished to a farmer line only when service at the above rates is subscribed for in connection with each telephone connected to the line. Should a telephone for which service has not been subscribed be connected to a line, it shall be the duty of the secretary or manager to disconnect such telephone and refuse to permit its re-connection until proper arrangements have been made for service with both the manager of the line and the company.

The company shall render bills for exchange and toll service to the individual members of the farmer line unless requested to do otherwise by the secretary or manager.. If a subscriber fails to pay a bill within the period set forth under the rules and regulations, the company may ask the secretary or manager to assist in collecting the unpaid bill. If, after reasonable effort the secretary or manager is unable to effect collection, the company will assume full responsibility for the unpaid charges.

In case the company does not secure payment of all charges against each member on any line within the period set forth under the rules and regulations, the company may deny exchange and toll telephone service to the line as a whole until the bill for such charges shall have been paid or until the company shall have received notification from the secretary or manager that the telephone of the member or members from whom payment has not been received has been disconnected from the line.

4. Farmer line service will be furnished provided the line and other facilities owned by the subscriber or subscribers are properly constructed and in an operating condition. The company reserves the right to discontinue telephone service to a subscriber or subscribers served by a farmer line by disconnection of such farmer line if a fault in any part of the line or other facilities provided by the subscriber or subscribers causes interference with service furnished to other subscribers, and may refuse to reconnect the line until the fault is corrected and the line and other subscriber-owned facilities are placed in an operating condition.

SUBSCRIBER-OWNED RURAL SERVICE

	<u>Rate per Station per Month</u>	
	<u>Business Service</u>	<u>Residence Service</u>
Unltd.-Party Line Service, Elk Grove Exch.	\$2.00	\$1.50

The above rates apply only to services ordered or installed prior to September 1, 1949. As of September 1, 1949, the offering of this service shall be discontinued, and the service shall continue to be furnished only to the same subscriber on the same premises.

PUBLIC TELEPHONE SERVICE - ALL EXCHANGES

	<u>Rate</u>
Each exchange message	\$0.05

JOINT USER SERVICE

	<u>Rate per Month</u>
Business individual-line or party-line service	\$1.50
Semi-public service	1.50
Commercial PBX service	3.00

SERVICE CONNECTION CHARGES

File schedule as set forth in Exhibit No. 31, except that the rate for each primary station, new and additional service, instrumentalities not in place, shall be \$6 for business service and \$5 for residence service.

MOVE AND CHANGE CHARGES

File schedule as set forth in Exhibit No. 32.

LINE EXTENSION CHARGES

File schedule as set forth in Exhibit No. F-3, except that rate per 100 feet beyond first 1,000 feet shall be \$5.



FOREIGN EXCHANGE SERVICE

	<u>Rate per Month</u>	
	<u>Residence Service</u>	<u>Business Service</u>
1. Quincy Farmer Line Service in Keddle	\$0.50 plus Quincy Farmer Line Residence Rate	\$0.75 plus Quincy Farmer Line Business Rate
2. Sacramento Service in Elk Grove:		
a. Ind. Business-Message Rate, first 200 messages		\$10 plus rate for ind. business service in Sacramento
b. Individual, Two-Party, and Suburban Line Flat Rate	Rate for respective service in the Sacramento exch.	

SEMI-PUBLIC TOLL STATIONS

<u>Extension Stations</u>	<u>Rate per Month</u>
On premises	\$1.25
Off premises, but on same continuous property and within $\frac{1}{2}$ mile airline measurement	1.75

TOLL SERVICE

File schedule of rates as set forth in Revised Exhibit No. G-2. Include following condition: "Rates between points on the lines of this company and points reached over the lines of the connecting companies are the through (direct) rates quoted by this company or the connecting companies."

CANCEL THE FOLLOWING SCHEDULES

- No. A-7 (N.C.O.) Auxiliary Line Business Flat Rate Service.  
No. A-19(N.C.O.) Service Charge for Restoration of Service.

8. That applicant shall use the amount in its contingency reserve, referred to in the foregoing opinion, to discharge in part the expense of setting up an adequate system of records as referred to in said opinion.
9. That applicant shall, within ninety (90) days after the effective date of this order, file with the Commission a report showing the amounts of the fees and expenses of Citizens Utilities Company charged to applicant's operating expenses and plant or fixed capital accounts during the six months ended June 30, 1949, the accounts to which such amounts have been charged, the nature of the services rendered to applicant by Citizens Utilities Company for such payments, and the cost to Citizens Utilities Company of rendering such services, and thereafter shall file, within ninety (90) days after the end of each calendar year, a corresponding report for the preceding calendar year.

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

Dated at San Francisco, California, this 19<sup>th</sup> day of

July, 1949.

R. E. Zimmerman  
Justice J. Calver  
Robert F. Duce  
Harold A. Huls  
Samuel H. Potter  
Commissioners