

Decision No. 45497**ORIGINAL**

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of  
 CITIZENS UTILITIES COMPANY OF CALIFORNIA,  
 a corporation, for authority to Increase  
 Intrastate Rates and Charges Applicable  
 to Telephone Exchange Service.

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 )  
 ) Application No. 31842  
 ) (First Supplemental)  
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 )

Orrick, Dahlquist, Neff and Herrington by  
George H. Johnston and W. A. Palmer, for applicant;  
Eldon Dye and Edson Abel for California Farm Bureau  
 Federation, protestant; Edward M. Berol, for Inter-  
 County Chambers of Commerce of Northern California,  
 protestant; John R. Ave for Rio Vista Chamber of  
 Commerce, protestant; C. W. Flodin, Editor of River  
 News, Rio Vista, by Merle Steiber, interested party;  
Bunn B. Smith for Elk Grove Business Men's Ass'n,  
 protestant; Herbert Totten for Lassen County Board  
 of Supervisors, protestant; C. T. Mess and Wilson E.  
Cline for the Commission's staff.

INTERIM OPINION

Citizens Utilities Company of California, a California corporation and applicant in this proceeding, by the above-entitled application filed October 16, 1950, sought authority to increase its telephone rates and charges on an interim basis by \$102,000 annually. On December 21, 1950, applicant filed its first supplemental application requesting this amount be increased to \$185,000 by reason of the continued drop in earnings it is facing as a result of increased taxes, labor, and material costs for 1951. Copies of applicant's proposed interim rates, marked Exhibits S-1 through S-7, are attached to the supplemental application. Increases are sought in exchange service rates in the cities of Rio Vista, Elk Grove, and Ferndale and within its Susanville Division which consists of the cities of Alturas and Susanville and a number of smaller communities.

Public hearings were held on this application as supplemented, before Examiner Edwards on February 5, 6 and 7 at Redding; on February 8 and 9 at Rio Vista; and on February 23, 1951, at San Francisco. During these hearings applicant's case was presented and cross-examination of applicant's witnesses undertaken by the parties. In company exhibits presented at the hearings, the rates and charges proposed by applicant were shown to produce an estimated revenue increase of \$192,000 for the year 1951. Applicant further amended its application to request increases in that amount. A limited amount of evidence was presented by the Commission's staff and by protestants. At the close of the hearing on February 23, 1951, following brief oral argument, the matter was submitted for decision on the interim request. The hearings on permanent rates will be resumed later for receipt of additional evidence to be offered by the interested parties, protestants and Commission's staff.

#### Company's Position

Because of sharply increased costs of operation, labor and material, and increased taxes, applicant claims that under existing rates and charges a rate of return will not be realized that will enable the company to meet its utility obligations, maintain a sound credit position, and attract the necessary capital to permit desired improvement of service. To expand and improve its service, applicant claims it has spent, and must continue to spend, large sums of money. Under conditions of steadily rising material and labor costs there results a considerably increased investment per telephone station, but applicant claims it has not experienced an offsetting increase in revenue at existing rate levels. Applicant's plant investment per station has risen from \$137.73 in 1946 to an estimated amount of \$327.77 in 1951, while the operating revenue has declined slightly from \$79.80 to an estimated \$79.68 per station over this five-year

period. The number of stations has increased from 4,330 on December 31, 1946, to an estimated 7,000 at the end of 1951.

On July 19, 1949, by Decision No. 43134, under Application No. 30023, after hearings in San Francisco, Ferndale, Alturas, Susanville, and Rio Vista, the Commission granted certain changes in toll and exchange rates and charges, effective September 1, 1949, which were estimated to produce approximately \$38,300 of additional gross revenue per year. This amount was designed to cover increased expense associated with the furnishing of 24-hour service in certain exchanges, the amortization of a portion of the expense of setting up adequate commercial and plant records, and to offset loss in revenue resulting from adoption of direct toll rates and revised intracompany toll rates, as well as to provide some increase in the company's earnings. Applicant now claims that the increases granted have proved to be inadequate in that the earnings for the year ended August 31, 1950, the first 12 months following the increase, resulted in a return of only 2.92% on its depreciated telephone plant account.

Applicant's exhibit No. 1 shows that its rate of return has steadily declined since August, 1950, as follows:

<u>12 Months' Period Ending</u>	<u>Rate of Return</u>
September 1950	2.72%
October 1950	2.58
November 1950	2.35
December 1950	1.70

The estimated results of operations for 1951 on present rate levels indicate a return of only 0.35%. Applicant's Exhibit No. 4 shows this figure as well as the estimated segregation by areas which may be summarized as follows:

<u>TELEPHONE DIVISION - ESTIMATE FOR 1951 - PRESENT RATES</u>					
	<u>Total</u>	<u>Susanville</u>	<u>Elk Grove</u>	<u>Ferndale</u>	<u>Rio Vista</u>
Revenue	\$ 557,761	\$ 422,481	\$ 45,300	\$39,500	\$ 50,480
Expenses	<u>549,357</u>	<u>408,853</u>	<u>40,626</u>	<u>40,985</u>	<u>58,893</u>
Net Revenue	8,404	13,628	4,674	<u>(1,485)</u>	<u>(8,413)</u>
Rate Base	2,387,886	1,858,228	105,623	86,026	338,009
Rate of Return	0.35%	0.73%	4.43%	<u>(1.72)%</u>	<u>(2.48)%</u>

(Red Figure)

In order to rectify this situation, applicant is seeking interim relief to produce an annual rate of return of 5.33% on the basis of the proposed rates being in effect for a full year and at the estimated 1951 level of business. It proposes to file a supplemental application asking for a higher rate of return in the main application. To obtain the 5.33% rate of return, applicant is asking that its estimated 1951 revenue of \$557,761 be increased by \$192,000, or by 34.4%. It proposes that the toll rates remain unchanged and that all of the increase be assigned to the local exchange rates. Thus, under the company's proposal, the local exchange rates would be increased by approximately 81% on the average for the purposes of this interim proceeding with no increase in toll rates.

Subscriber Showing

Many subscribers and subscriber representatives appeared at each of the hearings and several offered testimony as to the type of service being rendered as well as to the effect of the rates as proposed. In addition, the Commission received many letters protesting the requested increases which elicited further testimony on the part of applicant at the hearing. Most of the witnesses as well as the letters advanced carefully thought out suggestions which will be given consideration by the Commission in so far as appropriate in this interim decision.

A total of 15 persons from the Susanville area offered testimony, their principal concern being slow answering time by operators, delay in completing long distance calls, and difficulty in obtaining new service or higher grades of service. Some customers indicated willingness to pay higher rates if the service could be improved, while others testified that they could not afford to have telephones at the rates proposed by the company.

Customers in the Rio Vista area also appeared and complained as to quality of service. Particular complaints included slow answering time by operators, cut off on long distance calls, inability to get long distance calls through, and difficulty in recalling operators. Complaint was also made relative to the inability of new customers to obtain service.

A delegation from the Elk Grove Business Men's Association appeared at the hearings in Rio Vista to advise the Commission of the telephone situation in Elk Grove. Problems in this area were not particularly different from those encountered at Rio Vista. The Elk Grove representatives did not object to a reasonable raise, as the increase in costs are well known, but they did desire something more in service and stated that the proposed rates appear excessive for the size of the exchange when compared to the rates of an adjacent telephone company.

Several letters were received from representative organizations in Ferndale which described the condition of telephone service in that area. While no representative from the Ferndale area appeared at any of the hearings, the company was requested to give answers to the problems as revealed by the letters from that area.

Applicant's Exhibit No. 34 contains a detailed summary of the proposed relief, or relief already effected, for each instance brought to its attention by the Commission as well as similar analyses of each of the points made by the public witnesses. While the solutions offered for each specific complaint are too detailed for inclusion herein, it appears that certain general points should be mentioned. Where local manual switchboards are congested, generally they will either be supplemented with additional units or be replaced by dial systems. Toll service will be improved over the Alturas- Redding route by installation of a microwave system.

Certain conditions of defective insulators and grounded conductors as reported by witnesses were not verified by inspections made between February 9th and 23rd. In certain instances, damage to plant caused by heavy storms resulted in outages of service. During a recent unusual four-day storm in Ferndale, the company reports that 150 poles went down with many telephones out up to four days or longer. Many adjustments in bills were made in Ferndale where the telephone could not be immediately returned to service. Service in Rio Vista will be improved by the installation of a dial system and in Elk Grove and Ferndale by improvements in outside plant.

During 1951, applicant proposes to add \$807,055 in new plant facilities. The proposed schedule of monthly expenditures is shown in detail in Exhibit No. 24, the major items being:

Susanville--office and dial system	\$338,826
Toll facilities Alturas-Burney-Redding (Radio Microwave)	107,000
Rio Vista--office and dial system	199,000
Elk Grove--rehabilitate outside plant	22,000
Ferndale--rehabilitate outside plant	20,000
14 miscellaneous items	120,229
Total	<u>\$807,055</u>

In view of the many complaints received, it is apparent that all of the above improvements are urgently needed and the company should expedite the program in so far as practicable by letting contracts on a large portion of the work and augmenting its own construction crews. In order that the Commission be kept fully advised of progress on this construction work, bimonthly progress reports will be required, as well as copies of all signed contracts relating to this construction program. The gross construction expenditure for 1951 represents approximately 42% of the total telephone plant account of \$1,931,719.42 at December 31, 1950, as shown in Exhibit No. 6-B.

In contrast to this sharp growth in plant, applicant estimated that under present rates its revenue would increase only

from \$534,617 in 1950 to \$557,761 in 1951 or by 4.2%. The Commission's staff reviewed the company's method of estimating revenue, and in its opinion the company did not fully reflect the trend of revenue increase shown in the last five months of 1950. The staff estimated the 1951 revenue at \$562,373 or \$4,612 higher than the company's estimate. The expenses likewise were reviewed and decreased from the company's estimate of \$549,357 for 1951 to \$548,337. After these adjustments the estimated net revenue would be \$14,036. The company's rate base is predicated on year-end capital, while the staff's rate base, weighted by dates of forecasted expenditures, was computed on an average basis for the year and amounted to \$2,078,735 in contrast to the figure of \$2,387,886 used by the company. On this 1951 average year rate base, the rate of return is estimated to be 0.68%. The staff's computations are summarized in Exhibits No. 33 and No. 33A. In addition to the 1951 figures at present rates, the staff estimated that applicant's proposed rates on a full-year basis would result in a return of 6.4% in 1951.

After reviewing the record we are of the opinion that some additional revenues are required to enable applicant to meet its requirements and to continue to attract the capital necessary to finance the cost of equipment to serve the public. At this time increases in rates which are designed to yield additional revenues of \$125,000 per year will be authorized. In authorizing this increase, we are cognizant of the fact that many customers testified that no increase should be granted until service is improved. We believe that the company's proposed construction program will definitely improve service and until such program has been substantially completed we will allow an annual increase of \$125,000 consisting of \$102,000 in local service revenues and \$23,000 in toll revenues.

This, in our opinion, is the minimum amount required to accomplish this purpose. It is estimated that this increase will augment net revenues sufficiently to produce on an annual basis a return of approximately 5.0% on a rate base of \$2,079,000.

Authorized Interim Rates

Under existing rates toll revenues are estimated at \$301,512 in 1951. The \$23,000 increase in this class of business represents an increase of about 7.6%. This is being accomplished by adding a terminal charge of 10 cents on each intrastate toll message. The local service increase of \$102,000 represents an average increase of 43% on the estimated present local service revenue of \$237,755. In spreading this increase to the various classes of service, it has been necessary to increase some classes more than others in order to maintain a proper balance as between classes and grades of service. Likewise, we have attempted to maintain a balance as between districts and exchanges, taking into account their sizes and any peculiar conditions of the territory that might be expected to affect the cost of providing that service. Rate levels on other systems of somewhat comparable size also have been considered.

A comparison of the present rates for the basic classification of service in the larger exchanges with the rates requested by the applicant and those authorized in the order herein, follows:



Monthly Rate - Hand Set Station

	<u>Residence Service</u>			<u>Business Service</u>	
	<u>1-Party</u>	<u>2-Party</u>	<u>4-Party</u>	<u>1-Party</u>	<u>2-Party</u>
	<u>Present</u>				
Alturas	\$3.50	\$3.00	\$2.50	\$5.25	\$4.50
Elk Grove	2.75	2.50	2.00	3.75	3.00
Ferndale	3.25	2.75	2.25	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
	<u>Requested</u>				
Alturas	\$6.50	\$5.75	\$5.00	\$8.25	\$7.00
Elk Grove	5.75	5.00	4.25	7.50	6.25
Ferndale	5.75	5.00	4.25	7.50	6.25
Rio Vista	6.50	5.75	5.00	8.25	7.00
Susanville	6.50	5.75	5.00	8.25	7.00
	<u>Authorized</u>				
Alturas	\$5.25	\$4.50	\$4.00	\$7.75	\$6.25
Elk Grove	3.75	3.25	2.75	5.75	4.75
Ferndale	3.75	3.25	2.75	5.75	4.75
Rio Vista	3.75	3.25	2.75	5.75	4.75
Susanville	5.25	4.50	4.00	7.75	6.25

In addition to the increases in basic rates set forth above, the applicant also requests increases in the basic rates in its smaller exchanges in the Susanville division, increases in the monthly rates for business four- and eight-party and residence six- and eight-party service in certain exchanges where such service is offered, and for suburban service. The rates authorized in the smaller exchanges, and those authorized for the four-, six-, and eight-party service and suburban service by the order herein are set forth in Exhibit A attached hereto.

The increases authorized in basic rates, four-, six-, and eight-party line and in suburban service rates are estimated to increase annual revenues by \$91,000.

The applicant also requests increases in rates for extension and PBX stations, PBX switchboard equipment and trunks, and farmer line service and increases in service connection and

move and change charges. The rates and charges authorized in the order for these services are no higher than requested, and in a number of instances are lower than those requested. The increases authorized are estimated to produce added annual revenues of \$11,000.

In awarding this interim increase, we have kept in mind the immediate economic needs under existing circumstances of this applicant resulting from today's inflated costs of material and labor. Therefore, we are allowing an amount which appears to be currently necessary to assist in maintaining the credit of the applicant and enable it to keep up with the rapid growth and development in its service area. From the facts recited herein, the Commission is of the opinion and finds that the applicant is in immediate need of interim relief, and accordingly such relief will be authorized by the order that follows.

INTERIM ORDER

Citizens Utilities Company of California, having applied to this Commission for an order authorizing an interim increase in certain telephone rates and charges and for such other or further relief as may be proper in the premises, public hearings having been held, and the grant of an interim rate increase pending completion of the entire proceeding having been argued, and it appearing to this Commission increases are proper on an interim basis,

IT IS HEREBY FOUND AS A FACT that the increases in rates and charges authorized herein are justified and that present rates, in so far as they differ from those herein prescribed, are unjust and unreasonable; therefore,

IT IS HEREBY ORDERED that,

1. Applicant is authorized to file in quadruplicate with this Commission after the effective date of this order, in conformity with the Commission's General Order No. 96,

## RATES

The presently effective rates, charges, and conditions are changed only as specifically set forth in this exhibit.

Schedule No. A-1, Individual and Party Line ServiceRate per Month - Each Primary or Extension Station

Exchange or Group	Residence Flat Rate Service				Business Flat Rate Service		
	1-Pty.	2-Pty.	4-Pty.	Exten.	1-Pty.	2-Pty.	Exten.
Group A	\$3.25	\$ -	\$2.50 *	\$1.00	\$4.75	\$ -	\$1.50
Group B	3.25 *	-	2.50	1.00 *	4.75 *	-	1.50 *
Likely	3.25 *	-	2.50 *	1.00 *	4.75 *	-	1.50 *
Group C	4.50	-	3.50	1.00	6.75	5.50	1.50
Group D	4.50 *	-	3.50 *	1.00 *	6.75 *	5.50	1.50 *
Burney	4.50 *	-	3.50	1.00 *	6.75 *	5.50	1.50 *
Greenville	4.50	-	3.50 *	1.00	6.75	5.50	1.50
Alturas	5.25	4.50	4.00	1.00	7.75	6.25	1.50
Susanville	5.25	4.50	4.00 *	1.00	7.75	6.25	1.50
Elk Grove	3.75 *	3.25 *	2.75	1.00 *	5.75 *	4.75 *	1.50 *
Ferndale	3.75 *	3.25 *	2.75 *	1.00	5.75 *	4.75 *	1.50
Rio Vista	3.75 *	3.25 *	2.75 *	1.00	5.75 *	4.75 *	1.50

\* Wall set differential of 25 cents is applicable in accordance with Schedule No. A-1 (c).

Group A, Crescent Mills, Doyle, Keddle.  
 Group B, Ingot, Montgomery Creek.  
 Group C, Adin, Canby, Cedarville, Chester, Eagleville,  
 Fort Bidwell, Lake City.  
 Group D, Bieber, Fall River Mills.

Rates for business individual line and residence individual and four-party line service in the Ravendale exchange are authorized to be cancelled.

Rate for individual line business and residence stations connected together at the request of the subscriber in the Susanville exchange is authorized to be cancelled. This service is authorized to be furnished under Schedule No. A-7, Permanently Connected Business and Residence Lines.

Existing rates for extension stations in the Crescent Mills, Doyle, Keddle, and Ravendale exchanges are authorized to be cancelled.

Schedule No. A-1 (a), Flat Rate Exchange ServiceRate per Month - Each Primary or Extension Station

Exchange or Group	Residence Flat Rate Service			Business Flat Rate Service		
	6-Pty.	8-Pty.	Exten.	4-Pty.	8-Pty.	Exten.
Group E	\$ -	\$ -	\$ -	\$4.00	\$ -	\$1.50
Group F	-	-	-	4.00 *	-	1.50
Likely	-	-	-	4.00 *	-	1.50 *
Group G	-	-	-	5.25	-	1.50
Group H	-	-	-	5.25 *	-	1.50 *
Greenville	-	-	-	5.25 *	-	1.50
Susanville	-	4.00 *	-	6.00 *	6.00 *	1.50
Elk Grove	2.50 *	-	1.00 *	-	-	-
Rio Vista	-	-	-	4.50 *	-	1.50

\* Wall set differential of 25 cents is applicable in accordance with Schedule No. A-1(c).

Group E, Ingot, Montgomery Creek.  
 Group F, Crescent Mills, Doyle, Keddie.  
 Group G, Burney, Canby, Cedarville, Eagleville,  
 Fort Bidwell, Lake City.  
 Group H, Bieber, Fall River Mills.

Rate for business four-party line service in the Ravendale exchange is authorized to be cancelled.

Add the following special condition:

Within the Burney exchange, the above rate and conditions apply only to stations served from four-party lines prior to May 1, 1951, furnished to the same subscriber, on the same premises, and service under this schedule in the Burney exchange will be discontinued to any particular subscriber when the company offers to provide business two-party service to that subscriber.

Existing rates for extension stations in the Crescent Mills, Doyle, Keddie, and Ravendale exchanges are authorized to be cancelled.

Schedule No. A-1 (b), Flat Rate Exchange Service

Rates for party-line business and residence service in the Bella Vista, Burney, and Ingot exchanges are authorized to be cancelled and Special Condition 4 is authorized to be withdrawn.

Rates for party-line A business and residence service in the Montgomery Creek exchange are authorized to be cancelled.

Wall set differential of 25 cents is authorized to be made applicable in accordance with Schedule No. A-1 (c).

Schedule No. A-1 (c), Wall Telephone Set

The following special conditions are authorized to be made applicable in the Bella Vista, Crescent Mills, Doyle, Ingot, Keddie, Likely, and Montgomery Creek exchanges.

1. The wall set 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 May 1, 1951.

2. The wall set differential will cease to apply after May 1, 1951, in the event of a change in the class, type, grade or location of the service. When the change in grade of service is initiated by the company, the subscriber will be provided with the type of instrument which he desires and the change charge shall be waived.

Schedule No. A-2, Suburban Exchange Service

Rate per Month - Each Primary Station

<u>Exchange or Group</u>	<u>Suburban Line</u>	
	<u>Residence</u>	<u>Business</u>
Group I	\$2.75 *	\$4.00 *
Paynes Creek	3.00	4.00
Group J	4.00	5.25
Group K	4.00 *	5.25 *
Group L	4.50	6.00
Elk Grove	3.25 *	4.25 *
Ferndale	3.25 *	4.25 *
Rio Vista	3.25 *	4.25 *

\* Wall set differential is applicable in accordance with Schedule No. A-1 (c).

Group I, Bella Vista, Ingot, Montgomery Creek.  
 Group J, Adin, Burney, Canby, Cedarville, Chester, Eagleville, Fort Bidwell, Greenville, Lake City, Mineral, Taylorsville.  
 Group K, Bieber, Fall River Mills.  
 Group L, Alturas, Susanville.

Rate per Month - Each Extension Station

	<u>Residence</u>	<u>Business</u>
All exchanges	\$1.00	\$1.50

Schedule No. A-3, Farmer Line Service-Exchanges Where Offered,  
except Elk Grove

Rate per Month - Each Station

<u>Group</u>	<u>Residence</u>	<u>Business</u>	<u>Min. Charge</u>
			<u>Per Line</u>
Group M	\$0.50	\$0.75	\$1.50
Group N	.75	1.00	2.25

Group M, Crescent Mills, Doyle, Keddie, Likely, Paynes Creek, Ravendale, Ferndale.  
 Group N, Adin, Alturas, Bieber, Burney, Canby, Chester, Fall River Mills, Greenville, Mineral, Susanville, Taylorsville.

Special conditions applicable to Alturas are authorized to be made applicable to Group L exchanges and to Adin, Mineral and Taylorsville except that the present special condition covering point of connection with subscriber owned facilities shall be continued.

Schedule No. A-4. Commercial and Hotel Private Branch Exchange Service -  
Exchanges Where Offered.

	<u>Installation Charge</u>	<u>Rate per Month</u>
P.B.X. Switchboard Rate:		
Each switchboard position equipped with battery and ringing power and switchboard telephone:		
Cordless - 3 trunks, 10 lines	\$ 50.00	\$ 6.00
Cordless - 5 trunks, 16 lines	80.00	9.00
Cord - 40 lines or less	120.00	15.00
Cord - 41 - 80 lines	180.00	20.00
Cord - over 80 lines	250.00	27.00

Trunk Rate:

Each flat rate trunk line - 150% of the business individual  
line primary station rate rounded to the lower 25 cents multiple.

Rate per Month - Each Station

Station Rate:	Commercial P.B.X.-	Hotel P.B.X. Not in <u>Guest Room</u>	Hotel P.B.X. In Guest <u>Room</u>
	All Exchanges except Keddie	\$1.50	\$1.50
Keddie	1.50 *	1.50 *	1.00 *

\* Wall set differential of 25 cents is applicable in  
accordance with Schedule No. A-1 (c).

Schedule No. A-5. Key Branch Exchange Service

	<u>Installation Charge</u>	<u>Rate per Month</u>
Each 10 station Key BX Cabinet	\$ 7.50	\$3.50
Each 20 station Key BX Cabinet	10.00	4.50

Schedule No. A-6. Business Intercommunicating System Service

<u>Rate per Month</u>	
Rio Vista	
<u>Susanville</u>	

## Station Rate:

Each wall or desk set station, including switching device of:

10 line capacity	\$2.00
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## Trunk Rate:

<u>Rate per Month</u>	
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Each trunk line	
Rio Vista	\$ 8.50
Susanville	11.50

Rates for 20 line and 30 line switching devices in Rio Vista and Susanville are authorized to be cancelled.

Rates for Intercommunicating System Service in Alturas and Elk Grove are authorized to be cancelled.

Schedule No. A-7. Permanently Connected Business and Residence Lines

Rates under Schedule No. A-7 are authorized to be made effective in Susanville.

Schedule No. A-18. Service Connection Charges

New and Additional Service-  
Instrumentalities not in Place

	<u>Charge</u>
Each business primary station	\$ 7.75
Each PBX trunk	7.75
Each residence primary station	6.00
Each extension or PBX station	3.50

Instrumentalities in Place and No Change in Location  
or Type of Facilities Involved:

Each station line, including all stations connected to that line	3.50
Each PBX system as a unit	3.50
Supersedure	No Charge

Schedule No. A-19. Move and Change Charges

<u>Subscribers' Telephone Sets</u>	<u>Charge</u>
Moving from one location to another location Change of subscriber's set not required by change in class, type, or grade of service:	\$ 3.50
Change between hand set, desk set, or wall set, each set	3.50
Other changes	3.50

Schedule No. B-1. Toll Service

Terminal Charge, each intrastate toll message	\$0.10
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Schedule No. B-2. Toll Service-Station Service

	<u>Rate per Year</u>
Each business or residence station	\$6.00



revised rates in accordance with the changes shown in Exhibit A attached hereto, and after not less than five (5) days' notice to the Commission and the public, to make said rates effective for bills covering service furnished on and after May 1, 1951.

2. Applicant is ordered to file bimonthly progress reports within twenty (20) days of the close of the period covered by each progress report, setting forth the status of each of the projects shown on Exhibit No. 24, the first report to be for the first four months of 1951, and bimonthly thereafter.
3. Applicant is ordered to file within ten (10) days following the date of signing, a copy of each contract as signed which relates to the construction program as set forth in the company's Exhibit No. 24.

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

Dated at San Francisco, California, this 27<sup>th</sup>  
day of March, 1951.

A. J. [Signature]  
Justice F. Coakley  
Harold Hule  
Kenneth Potter  
John L. McMill  
COMMISSIONERS