

Decision No. 46914

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Order requiring )  
telephone corporations to file )  
rule and regulation with the ) Case No. 5338  
Commission as specified in said )  
Order or show cause why said rule )  
and regulation should not be filed. )

F. V. Rhodes, for Calif. Ind. Tel. Ass'n.;  
Arthur T. George and Pillsbury, Madison & Sutro,  
by Noel Dyer, for Pacific Tel. and Tel. Co.;  
Littler, Coakley, Lauritzen & Ferdon, by  
John L. Talt, for McCloud Tel. Co.; Marshall K. Taylor,  
for Assoc. Tel. Co., Ltd.; Carl I. Wheat, for  
Calif. State Hotel Ass'n.; McKevitt, DeMartini,  
Howard & Hooey, by Charles W. Kieser, for S. F. Hotel  
Ass'n.; Dion R. Holm and Paul L. Beck, for City and  
County of San Francisco; Robert W. Russell and T. M. Chubb,  
for Dept. of Pub. Ut. and Transp., City of Los Angeles;  
R. B. Cassidy and Walter Wessells of the Commission's  
staff.

ORDER REOPENING FOR FURTHER HEARING

By order of November 6, 1951, each telephone corporation listed on Exhibit "A" to that order was directed to file a specified rule<sup>1/</sup> or show cause on March 12, 1952 why such rule should not be filed. On the return day, The Pacific Telephone and Telegraph Company and Associated Telephone Company, Ltd., complied with the order by filing the rule.

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1/ The rule reads as follows:

"Telephone exchange, message unit, and message toll telephone services are furnished to hotels, apartment houses, and clubs upon the condition that use of the services by guests, tenants, members, and others shall not be made subject to any charge by any hotel, apartment house, or club in addition to the telephone exchange, message unit, and message toll telephone rates and charges of the telephone company, except as specifically provided for in the tariff schedules of the telephone company."

McCloud Telephone Company requested that the order be dismissed as to it upon the ground that it does not furnish any private branch exchange service to hotels, clubs, or apartment houses. Capay Valley Telephone System, by letter, expressed the opinion that the rule would not affect that system now and would not in the foreseeable future. However, both of these utilities expressed a willingness to file the rule. The Secretary of the California Independent Telephone Association observed that many independent telephone utilities named as respondents either have no hotels in the area served by them, or have no rates on file for private branch exchange service. He suggested that the order be dismissed as to such respondents.

The rule is not limited in its application to private branch exchange service alone, but applies to all telephone service furnished to hotels, apartment houses, and clubs. Moreover, it is believed that a rule of this nature should be uniform throughout the state. The above requested and suggested dismissals will not be granted.

None of the respondent utilities having shown cause why the rule should not be filed, all respondents will be expected to comply with the order of November 6, 1951, by an immediate filing of the rule set forth in that order.

After issuance of the order, and on December 21, 1951, Western Union Telegraph Company was authorized to discontinue telephone operations effective February 1, 1952. It will be dismissed as a respondent herein. Five telephone utilities omitted as respondents in the order of November 6, 1951, will be named as respondents and directed to file the rule.

On February 28, 1952, a petition for leave to intervene was filed by California State Hotel Association, Ltd. Petitioner

represents that it and its members are the real parties in interest and that hotels should be permitted to recoup certain costs incurred in connection with telephone service furnished to guests by charges by hotels to individual guests, by providing for lower telephone rates to hotels, or by payments to hotels by telephone utilities. Petitioner has retained engineers and accountants for the purpose of making a study of average costs to hotels. Traffic counts are being made in various selected hotels to obtain cost data. Petitioner expects to be able to offer evidence in June of 1952, and has requested that any rules filed pursuant to the order of November 6, 1951, be suspended for a reasonable period during which the above cost studies may be completed and the results presented to the Commission.

Good cause appearing, IT IS ORDERED as follows:

1. The request of McCloud Telephone Company for dismissal as a respondent is denied.
2. The Western Union Telegraph Company, having been authorized to discontinue the business of providing public voice transmission facilities effective February 1, 1952, is dismissed as a respondent herein.
3. The following telephone corporations are made respondents in this proceeding, and each such utility is directed to comply with the order of November 6, 1951, by filing the rule set forth therein and in footnote 1 of this order within thirty (30) days after the date of this order:

Adelaida Rural Telephone Co., a corporation,  
 Frank J. Fuller, doing business as Frank J.  
 Fuller Telephone Lines,  
 Suisun & Green Valley Telephone Co., a corporation.  
 West Side Telephone Company, a corporation,  
 H. G. Kreth, doing business as Kreth Telephone  
 Line.

4. In order that California State Hotel Association, Ltd., may have opportunity to present such evidence in support of the allegations contained in its petition for leave to intervene as may be held by the presiding officer to be admissible and within the scope of this proceeding, the submission heretofore entered herein is set aside, the matter is reopened for further hearing, the request of said petitioner for leave to intervene is granted,

and the scope of the proceeding enlarged to consider whether or not, upon the rule involved herein becoming effective, other provisions of the tariff schedules of respondent telephone corporations applicable to telephone service furnished to hotels, apartment houses, and clubs should be amended in any particular.

5. The effective date of all rules heretofore or hereafter filed by respondent telephone corporations pursuant to the order of November 6, 1951, or pursuant to this order, is hereby suspended until August 9, 1952, unless otherwise hereafter ordered.
6. Public hearing in the reopened proceeding is set before Commissioner Mitchell, or such Examiner as may be designated in his behalf, at 10 o'clock a.m. on Wednesday, June 11, 1952, in the Commission Court Room, State Building, San Francisco, California.
7. The Secretary is directed to cause copies of this order to be mailed to each appearance, to each respondent named in the order of November 6, 1951, and to each respondent named in numbered paragraph three of this order.

This order shall become effective on the date hereof.

Dated at San Francisco, California, this 1st day  
of April, 1952.

*R. J. Donagan*  
*Harold P. Kula*  
*John E. Mitchell*

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COMMISSIONERS