

Decision No. 50626

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of	)	
SAN MIGUEL INTERURBAN TELEPHONE COMPANY	)	
for an order authorizing increases and	)	
changes in its rates for telephone	)	Application No. 35372
service; the abandonment of furnishing	)	
telegraph service over its own lines;	)	
and for converting the present Parkfield	)	
Exchange area to a toll station area	)	

O. H. Ivey, president, and F. V. Rhodes, for applicant.  
 California Farm Bureau Federation by J. J. Duel  
 and Eldon Dye; California Independent Telephone  
 Association by Frank V. Rhodes, interested  
 parties.  
Neal C. Hasbrook, for the Commission staff.

O P I N I O N

Nature of Proceeding

San Miguel Interurban Telephone Company, a California corporation, by the above-entitled application filed April 21, 1954, seeks an order of this Commission authorizing a general increase in its rates for telephone service, authority to abandon telegraph service over its own lines, authority to discontinue exchange service in its Parkfield exchange and to substitute toll station service therefor.

Public Hearing

A public hearing in this proceeding was held before Examiner Emerson on September 13, 1954 at San Miguel. Twelve witnesses were heard and two primary exhibits were received. Approximately 24 of applicant's subscribers were in attendance, about 10 being from the Parkfield area.

Applicant's Position and Request

Applicant alleges that its present financial situation, wherein it is operating at an out-of-pocket loss, is so precarious as to warrant immediate and emergency rate relief. It attributes such situation, primarily, to the closing of the U. S. Army Military Reservation "Camp Roberts" on September 30, 1953 and the resulting loss of business to the community of San Miguel and to itself. Applicant's records show that within five months following the loss of Camp Roberts, its toll revenues had dropped more than 41 per cent and that it had suffered the loss of many subscribers due to the closing of business houses in the town and the departure of residents who had made their livelihood by serving the camp and Army personnel. As an example of the latter, applicant cites the loss of 64 subscriber stations in the first three months and 23 stations in the next five months of 1954. Such decline in toll and exchange business on a telephone system of only about 300 stations has reduced its revenues to a point well below its expenses of operation. According to applicant, it cannot long sustain such deficit operations and remain in business.

Applicant claims to have made all economies of which it is capable and still has been unable to arrest the trend of its worsening financial situation. Not knowing where else to turn it requests that this Commission, under the broad powers delegated to it by Section 701 of the Public Utilities Act,<sup>1/</sup> determine the best and most satisfactory manner of serving applicant's territory and to authorize rates which will offset applicant's operating

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<sup>1/</sup> Section 701 reads as follows: "The Commission may supervise and regulate every public utility in the State and may do all things, whether specifically designated in this part or in addition thereto, which are necessary and convenient in the exercise of such power and jurisdiction."

expenses. Applicant stands ready and willing to pursue any course of action which this Commission may find to be in applicant's and the public's best interest and prays that the Commission give it such relief as the Commission may determine is warranted. Applicant's basic rates have remained unchanged since about 1912.

In compliance with this Commission's Rules of Procedure, applicant set forth in its application specifically proposed rates for future service. It selected such rates from the tariffs of other utilities who offer like services in exchanges of similar size. After such selection it found that the revenues which might be produced therefrom would still not offset its expenses, even excluding any provision for depreciation and the payment of taxes. It did not subsequently amend its application, however, but instead relied upon its prayer that it be made whole.

Applicant's Operations, Present and Proposed

Applicant now offers exchange telephone service in two exchanges, San Miguel and Parkfield, geographically contiguous but whose centers are separated approximately 25 miles and connected by only one toll telephone circuit.

Manual common battery exchange service is provided in San Miguel to a total of 271 stations and magneto exchange service in Parkfield to a total of 33 stations. The company provides toll telephone and telegraph services over its own toll line between San Miguel and Parkfield. Toll telephone service to other points is furnished through connection with facilities of The Pacific Telephone and Telegraph Company. Telegraph messages to other points are referred to the nearest Western Union Telegraph Company office. Limited hours of regular service are provided, with emergency service available during night and Sunday off hours.

Under present operations a charge of 50 cents is made for each "emergency" call placed between the hours of 9 p.m. and 5:30 a.m. According to applicant such charge produces little revenue, is a source of annoyance to telephone users, does not control or avoid the necessity for operator attention to after-hour calls and is considerably detrimental to maintaining good public relations. Applicant desires to provide 24-hour service and thus eliminate the special charge and resulting difficulties.

As of the date of hearing, there were seven regular employees on the company's payroll on either a full-time or part-time basis, including the company officers. The president and vice president of the company normally perform all construction and maintenance work. Additional maintenance help is hired from time to time on a temporary basis. Commercial operations are performed by one employee in addition to the officers who perform multiple functions. The traffic force consists of four operators whose wages total \$680 monthly. At San Miguel the force consists of two regular operators and one relief operator. The fourth operator handles all traffic at the Parkfield board.

Exchange service in the Parkfield area has been rendered at an out-of-pocket loss for a number of years, due primarily to the necessity of maintaining a full-time operator in the area and secondarily because of the distance and resulting time required to perform maintenance work so far from the company headquarters in San Miguel. The single circuit to Parkfield is in only fair condition and requires major rehabilitation, including reconductoring and the setting of many poles. Applicant's estimate of the cost of such work totals between \$17,000 and \$20,000 with about 50 per cent of such cost representing materials. In view of such situation applicant proposes to discontinue all exchange service at Parkfield

and to serve the area on a toll station basis out of the San Miguel central office. Under this arrangement the present exchange stations and farmer line stations would be directly connected to the toll lead. It is clear from the evidence, however, that at least one additional circuit would be necessary in order to handle present Parkfield traffic and further that repeaters would be required in order to assure adequate transmission quality. It is possible that installation of "carrier" equipment may most adequately serve this area and applicant should immediately explore its feasibility.

#### Results of Operations

Applicant and the Commission staff presented exhibits and testimony detailing the results of applicant's operations for the years 1952 and 1953 together with similarly detailed estimates for the year 1954.

It is clear from the evidence that the accounting records of applicant do not conform with the system of accounts prescribed by this Commission and are deficient or erroneous in numerous respects. Applicant's showing was based upon such records and is summarized as follows:

#### Applicant's Showing

<u>Item</u>	<u>Present Rates</u>	
	<u>Actual Year 1953</u>	<u>Est. Year 1954</u>
Operating Revenues	\$21,628.09	\$15,500.23
Operating Expenses		
Before Taxes and Depreciation	20,668.27	25,631.00
Taxes	393.09	782.30
Depreciation	624.57	693.75
Total Oper. Exps.	<u>21,685.93</u>	<u>27,107.05</u>
Net Revenue	(57.84)	(11,606.82)

(Red Figure)

An accountant of the Commission staff analyzed all available records of applicant and with an engineer of the staff made correcting adjustments to applicant's figures and developed properly detailed accounts and estimates. These are set forth in Exhibit No. 1 in this proceeding.

In view of the evidence we find that the following summary, taken from the staff's exhibit, represents the best available analysis of the results of applicant's operations for the periods shown. The results shown under "estimated year 1954" are based upon the number of telephone stations in service on May 24, 1954. Since that date applicant has lost 23 subscribers, hence the estimated loss will be somewhat greater than that shown.

Staff Analysis

<u>Item</u>	<u>Present Rates</u>	
	<u>Adjusted Year 1953</u>	<u>Estimated Year 1954</u>
Operating Revenues		
Local Service	\$ 7,950	\$ 7,150
Toll Service	14,740	8,370
Miscellaneous	370	370
Uncollectibles	(120)	(80)
Total Revenue	<u>22,940</u>	<u>15,810</u>
Operating Expenses		
Maintenance	5,920	6,600
Operation	14,490	13,300
Subtotal	<u>20,410</u>	<u>19,900</u>
Depreciation	1,660	1,740
Taxes	585	775
Total Oper. Exps.	<u>22,655</u>	<u>22,415</u>
Net Revenue	285	<u>(6,605)</u>
	<u>(Red Figure)</u>	

Conclusions

It is clear that applicant is presently operating at an out-of-pocket loss and is in need of increased revenues. Further, the evidence indicates that even under the full year effect of the proposed rates attached to its application applicant would sustain a loss in excess of \$2,300 during 1954.

It is fundamental that a utility may not be forced to operate at a loss. Under the particular situation now affecting the communities served by applicant, applicant can expect no more than to have its revenues equal its expenses without hope for a return on its investment. The record is clear that there is a need and demand for 24-hour telephone service in applicant's territory and that present subscribers are not opposed to a substantial increase in rates under the circumstances recited herein. It appears in the public interest that telephone service not be curtailed in the area.

With respect to serving the Parkfield area we conclude that applicant should be permitted to discontinue exchange service and transfer present subscribers and farmer lines to toll station service. However, applicant will be required to supply at least one additional circuit to Parkfield before undertaking such transfer.

In view of the entire evidence we conclude that applicant is entitled to increased revenues, based upon the 1954 level of business, of approximately \$8,940 so as to meet its reasonable operating expenses under the service conditions which will obtain from the mode of operation herein ordered. Such increased revenues will produce the following results of operations:

Operations Under Authorized Rates  
(Based upon 1954 Level of Business)

Operating Revenues	
Local Service	\$15,750
Toll Service	8,160
Miscellaneous	370
Uncollectibles	(120)
Total Revenue	<u>24,160</u>
Operating Expenses	
Maintenance	6,600
Operation	15,020
Depreciation	1,730
Taxes	810
Total Expenses	<u>24,160</u>

(Red Figure)

The record is clear that there is no present demand for telegraph service over applicant's own lines. Applicant will be authorized to withdraw such service.

Applicant will be required to file a set of rules governing present-day practices and relationships with its subscribers.

Authorized Rates

Basic monthly rates and charges authorized herein, segregated to principal classes of service and compared with present rates and charges, are as follows:

<u>Classification</u>	<u>Present</u>	<u>Authorized</u>
Residence		
1-Party	\$2.25*	\$4.75
4-Party	1.75*	3.00
10-Party Suburban	1.75*	3.75
Extension	1.00	1.50
Business		
1-Party	2.75*	7.00
2-Party	-	5.50
4-Party	1.50	-
10-Party Suburban	1.75*	6.00
Extension	1.00	1.75
* Rate shown is for hand or desk set; wall sets are presently 25 cents less.		
Semipublic Toll Station		
Monthly Station Charge		2.00
Monthly Toll Guarantee		5.00
Farmer Line - San Miguel Exchange		
Residence	.50	1.25
Business	1.00	1.25
Farmer Line - Parkfield Area		
Residence	.50	1.75
Business	1.00	1.75

O R D E R

San Miguel Interurban Telephone Company having applied to this Commission for an order authorizing increases in rates and charges for telephone service, discontinuance of telegraph

service and substitution of toll service for exchange service in the Parkfield exchange, public hearing thereon having been held and the matter having been submitted for decision,

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, for the future are unjust and unreasonable; therefore,

IT IS HEREBY ORDERED that applicant is authorized to file in quadruplicate with this Commission, after the effective date of this order and in conformity with the provisions of General Order No. 96, the schedules of new rates and revised existing schedules of rates attached hereto as Appendices A and B and, after not less than five days' notice to the public and this Commission, to make the rates set forth in Appendix A effective for service rendered on and after November 1, 1954, and to make the rates set forth in Appendix B effective upon the establishment of not less than two circuits between San Miguel and Parkfield.

IT IS HEREBY FURTHER ORDERED as follows:

1. Applicant is authorized to discontinue exchange telephone service in its Parkfield exchange and to substitute toll telephone service therefor as of the date when not less than two toll circuits are established between Parkfield and San Miguel.
2. Applicant shall notify this Commission immediately and in writing of the date on which cutover from exchange to toll telephone service in the Parkfield area is accomplished.
3. As of November 1, 1954 applicant shall render 24-hour service daily in its San Miguel exchange and shall render like service in the Parkfield area coincident with such area being converted to toll.
4. Applicant is authorized to withdraw its offering of telegraph service over its own lines and its rates and conditions applicable to attachment of telephone wires to its poles, effective November 1, 1954.

5. Within sixty days from and after the effective date of this order applicant shall file in quadruplicate with this Commission, in conformity with the provisions of General Order No. 96, rules governing subscriber relations revised to reflect present-day operating practices, together with the current forms that are normally used in connection with customer service.

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

Dated at San Francisco, California, this 5th day of October, 1954.

Peter E. Mitchell  
President  
Justina J. Adams  
Kenneth Patton  
Deane Higgins  
Ray L. Luterneer  
Commissioners

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The rate schedules shown in this appendix shall become effective on November 1, 1954 and shall continue in effect until or unless superceded by rate schedules shown in Appendix B.

Schedules to be Filed, Included Herein

<u>Schedule No.</u>	<u>Description</u>
A-1	Individual Line and Party Line Service
A-2	Semipublic Coin-Box Service
A-3	Public Telephone Service
A-4	Mileage Rates
A-5	Suburban Service
A-6	Farmer Line Service - San Miguel Farmer Line Service - Parkfield
A-10	Foreign Exchange - Paso Robles Residence Suburban Service in San Miguel
A-14	Directory Listings
A-15	Supplemental Equipment
A-29	Moves and Changes
A-30	Service Connection Charges
A-31	Line Extension Charges
B-1	Message Toll Telephone Service

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## Schedule No. A-1

INDIVIDUAL LINE AND PARTY LINE SERVICEAPPLICABILITY

Applicable to individual and party line business and residence flat rate exchange telephone service.

TERRITORY

Within the base rate area of the Company's exchanges as defined on maps filed as part of the tariff schedules.

RATES

	<u>Rate per Month</u>
Business Flat Rate Service:	
Each Individual Line Station .....	\$7.00
Each Two-Party Line Station .....	5.50
Each Extension Station (With or Without Bell) .....	1.75
Residence Flat Rate Service:	
Each Individual Line Station .....	4.75
Each Four-Party Line Station .....	3.00
Each Extension Station (With or Without Bell) .....	1.50

SPECIAL CONDITIONS

1. Extension stations at the above rates will be installed on the premises on which the primary station is located. The above rates plus mileage rates are applicable to off-premises extension stations.

2. Individual line and party line services will be provided outside the base rate area and within the exchange area at the above rates plus mileage rates.

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Schedule No. A-2

SEMIPUBLIC COIN-BOX SERVICE

APPLICABILITY

Applicable to individual line semipublic coin-box service.

TERRITORY

Within the base rate area of the San Miguel exchange as said area is defined on a map filed as part of the tariff schedules.

RATES

	<u>Rate</u> <u>Per Month</u>	<u>Each Exch.</u> <u>Message</u>	<u>Minimum Charge</u> <u>Per Day</u>
Each Individual Line Coin-Box Station	\$1.00	\$0.10	\$0.20
Extension Station (Without Coin Collector) .....	1.75		

SPECIAL CONDITIONS

- Individual line semipublic coin-box service will be furnished outside the base rate area and within the exchange area at the above rates and mileage rates.
- Extension stations at the above rates will be installed on the same premises as the primary station. Off-premises extension stations will be installed at the above rates and mileage rates as set forth in Schedule No. A-4.
- Service under this schedule will be furnished upon applicant's request in stores, shops, restaurants, theatres, apartment houses, hotels, automobile courts, automobile trailer camps and other semipublic locations where there is a collective use of the service by a number of guests, members, employees, or occupants, or where there is a requirement for a combination of transient and subscriber usage.
- Service under this schedule is furnished on a daily guarantee basis, Sundays and holidays included. Collections will be made as nearly as practicable at monthly intervals. When the amount of money collected from a coin-box covering local messages is less than the minimum guarantee, the subscriber will be required to make up the deficit. Failure to use the minimum guaranteed number of messages in any such period between collections or the use of messages in excess of such number does not entitle the subscriber to any allowance in any other month.
- Where a mileage rate applies, such rate is not covered by the above guarantee nor by charges for messages that are over and above the guarantee.
- The above guarantee is based upon local exchange usage only. Collections from the coin box for toll or interexchange messages are not applicable to the guarantee.
- The rate per month applies in addition to the minimum charge per day.

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Schedule No. A-3

PUBLIC TELEPHONE SERVICE

APPLICABILITY

Applicable to service from Company's nonlisted public coin-box telephone stations.

TERRITORY

Within the Company's exchange area, as said area is defined on maps filed as part of the tariff schedules.

RATES

	<u>Rate</u>
Each exchange message .....	\$0.10

SPECIAL CONDITION

1. Public telephones will be installed by the company at its discretion, in public locations, to meet the general and transient requirements.

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Schedule No. A-4

MILEAGE RATES

APPLICABILITY

Applicable to service involving mileage charges.

TERRITORY

Within the Company's exchange area as said area is defined on maps filed as part of the tariff schedules.

RATES

	<u>Each <math>\frac{1}{4}</math> Mile or Fraction Thereof Air-Line Measurement - Rate Per Month</u>
1. Primary Service:	
Each Individual Line Station .....	\$0.60
Each Two-Party Line Station .....	.40
Each Four-Party Line Station .....	.30
2. Off Subscriber's Premises and Within Exchange Area, Each Extension Station Line:	
Continuous Property .....	\$1.00
Noncontinuous Property:	
First Quarter Mile .....	2.00
Each Additional Quarter Mile .....	1.00

SPECIAL CONDITIONS

- The mileage rates under RATES 1 above are based on the air-line distance measured between the subscriber's primary station or private branch exchange switchboard and the nearest point on the boundary of the base rate area and are in addition to the other rates applicable to the service involved.
- The mileage rates under RATES 2 above are applicable in connection with extension and private branch exchange stations and are applicable to the air-line distance measured between the terminals of the line involved. No mileage charge applies in those cases where the terminals are in the same building.
- An off-premises extension station will be installed on other premises of the subscriber to the primary station provided the station is for the use of the subscriber.
- An off-premises extension station will be installed on other than the subscriber's premises provided the station is for the use of the subscriber.
- A residence extension station will not be furnished on business premises.
- In this schedule, "terminals" means the stations between which the off-premises line is connected.

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Schedule No. A-5

SUBURBAN SERVICE

APPLICABILITY

Applicable to suburban ten-party line business and residence exchange service.

TERRITORY

Within the suburban area of the Company's exchanges as defined on maps filed as part of the tariff schedules.

RATES

	<u>Rate Per Month</u>	
	<u>Business Service</u>	<u>Residence Service</u>
Each Suburban Line Primary Station ...	\$6.00	\$3.75
Each Extension Station .....	1.75	1.50

SPECIAL CONDITIONS

1. Suburban service will be rendered outside the base rate area but within the exchange area.
2. In no case will the total number of stations connected to one circuit exceed ten (10) stations.
3. Extension stations will be installed on the premises on which the primary station is located.

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Schedule No. A-6

FARMER LINE SERVICE

APPLICABILITY

Applicable to farmer line service.

TERRITORY

Within the suburban area of the San Miguel exchange as said area is defined on maps filed as part of the tariff schedules.

RATES

	<u>Rate per Year</u>
Each Business Station .....	\$15.00
Each Residence Station .....	15.00

SPECIAL CONDITIONS

1. Farmer line service will be furnished outside the base rate area and within the exchange area. A farmer line station shall not be located within the base rate area. A farmer line shall not extend across an exchange area boundary.
2. The Company will provide, own, and maintain all lines and facilities used to furnish farmer line service to the boundary of the base rate area except where the city limits are beyond this boundary, in which case the line and facilities extend to the boundary of the city limits.
3. The subscriber will provide, own, and maintain all lines and facilities beyond the boundary of the base rate area or city limits.
4. Farmer line service will be rendered outside the base rate area but within the exchange area to less than five subscribers, provided the total minimum exchange revenue of each circuit is not less than that of five residence stations.
5. The subscriber will be allowed a discount of ten per cent (10%) on the charge for exchange service, if bill is paid at the Company's office during the first month of the year. New subscribers will be billed from the date of connection to the end of the year and annually in advance thereafter. Initial bills rendered new subscribers will be subject to a ten per cent (10%) discount on the charge for exchange service, provided the bill is paid at the Company's office within thirty days after date of bill.

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Schedule No. A-6

FARMER LINE SERVICE  
(Continued)

APPLICABILITY

Applicable to farmer line service.

TERRITORY

Within the suburban area of the Parkfield exchange as said area is defined on maps filed as part of the tariff schedules.

RATES

	<u>Rate per Year</u>
Each Business Station .....	\$21.00
Each Residence Station .....	21.00

SPECIAL CONDITIONS

1. Farmer line service will be furnished outside the base rate area and within the exchange area. A farmer line station shall not be located within the base rate area. A farmer line shall not extend across an exchange area boundary.
2. The Company will provide, own, and maintain all lines and facilities used to furnish farmer line service to the boundary of the base rate area except where the city limits are beyond this boundary, in which case the line and facilities extend to the boundary of the city limits.
3. The subscriber will provide, own, and maintain all lines and facilities beyond the boundary of the base rate area or city limits.
4. Farmer line service will be rendered outside the base rate area but within the exchange area to less than five subscribers, provided the total minimum exchange revenue of each circuit is not less than that of five residence stations.
5. The subscriber will be allowed a discount of ten per cent (10%) on the charge for exchange service, if bill is paid at the Company's office during the first month of the year. New subscribers will be billed from the date of connection to the end of the year and annually in advance thereafter. Initial bills rendered new subscribers will be subject to a ten per cent (10%) discount on the charge for exchange service, provided the bill is paid at the Company's office within thirty days after date of bill.

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Schedule No. A-10  
FOREIGN EXCHANGE SERVICE

RESIDENCE SUBURBAN FOREIGN EXCHANGE SERVICE PASO ROBLES FOREIGN EXCHANGE SERVICE IN SAN MIGUEL

APPLICABILITY

Applicable to Paso Robles residence suburban service furnished in the San Miguel exchange area.

TERRITORY

Within the exchange area of the San Miguel exchange as said area is defined on a map filed as part of the tariff schedules.

RATES

	<u>Rate per Month</u> <u>Hand, Desk or Wall Set</u>
1. Station Rates:	
a. Each Suburban Line Residence	
Primary Station .....	\$3.70 ✓
b. Each Extension Station, Without Bell ....	1.50
	<u>Rate for Each <math>\frac{1}{2}</math> Mile or</u> <u>Fraction Thereof per Mo.</u>
2. Mileage Rate:	
a. Paso Robles Exchange Area .....	No Charge
b. San Miguel Exchange Area .....	\$1.00

SPECIAL CONDITIONS

1. The above rates comprehend service, without additional charge, to all stations receiving service from the Paso Robles exchange. The interexchange rates applicable in connection with toll service over Paso Robles residence foreign exchange lines will be in accordance with the interexchange tariff provisions effective in connection with Paso Robles service.

2. The above San Miguel exchange area mileage rate is applicable to the air-line distance between the subscriber's primary station and the nearest point on the common boundary of the San Miguel exchange and the Paso Robles exchange areas.

3. Foreign exchange service will be furnished subject to the same conditions as to its use by others than the subscriber and his representatives, which are applicable in other classifications of subscriber's telephone service.

4. Extension stations may be installed on the premises on which the primary station is located, maximum number not to exceed those permitted on Paso Robles local exchange service.

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Schedule No. A-10

FOREIGN EXCHANGE SERVICE  
(Continued)

RESIDENCE SUBURBAN FOREIGN EXCHANGE SERVICE

PASO ROBLES FOREIGN EXCHANGE  
SERVICE IN SAN MIGUEL

SPECIAL CONDITIONS--contd.

5. Subscribers to foreign exchange suburban residence service are not required to take service from the exchange from which service normally would be rendered on the premises on which foreign exchange service is furnished.

6. A residence suburban line station shall not be located within the base rate area of the San Miguel exchange.

7. Foreign exchange service from the Paso Robles exchange will be furnished in the San Miguel exchange area under the following conditions:

a. The applicant for such service may be required to pay in advance, prior to the installation of the service, an amount equal to the net cost of installing and removing of any facilities necessary in connection with the furnishing of such service by the Company serving the local exchange. } ←

b. If the service is retained for a period of one year or more at the same location, the subscriber will be paid the following amounts of money provided the subscriber retains the service continuously throughout the respective periods for which payments apply and, further, provided the subscriber has paid any and all sums due and payable to the Company for the service.

On expiration of first year following installation of service, 33-1/3 per cent of advance payment.

On expiration of second year following installation of service, 33-1/3 per cent of advance payment.

On expiration of third year following installation of service, 33-1/3 per cent of advance payment.

In addition to the above payments, interest will be paid on each payment made and on the unpaid balance at the rate of six per cent per annum.

c. Nothing in this rule shall be construed as limiting or in any way affecting the right of the company to collect from the subscriber any other or additional sum of money which may become due and payable to the company from the subscriber by reason of the service furnished or to be furnished hereunder.

8. The tariff provisions of the local exchange applicable to extension stations, move and change charges, service connection charges, and supplemental equipment will apply in connection with foreign exchange service furnished under this schedule.

9. Under this schedule "Local Exchange" means the exchange in which the primary station is located, and "Foreign Exchange" means the exchange from which the service is rendered.

10. The above rates for foreign exchange service include a listing without additional charge in the alphabetical section of the local exchange directory as well as that of the foreign exchange.

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Schedule No. A-14

DIRECTORY LISTINGS

APPLICABILITY

Applicable to listings in the alphabetical section of the telephone directory.

TERRITORY

Throughout the territory served.

RATES

	<u>Rate per Month</u>
Individual line service, one listing .....	No Charge
Party line service, each primary service, one listing ...	No Charge
Additional listings in telephone directory:	
Member of same firm or business, each listing .....	\$0.50
Any individual residing at a residence listed at the residence, each listing .....	0.50

SPECIAL CONDITIONS

1. Listings in the alphabetical section of the telephone directory are intended solely for the purpose of identifying subscribers as an aid to the use of telephone service. Telephone directories are furnished subscribers to facilitate the use of the service and remain the property of the Telephone Company and may be collected upon issuance of new directories.

2. Business listings consist of a name, the address of the premises in which the primary station is located and the telephone number. A designation descriptive of the business will be included if the name does not indicate the nature of the business.

3. Business listings may be those of individuals engaged in business, names of firms or members thereof, the names of corporations or the officers thereof, and the names of the employees. A trade name made up by adding a term, such as company, agency, shop, works, etc., to the name of a commodity will not be accepted as a listing unless the subscriber is authorized to do business under that name. Listings are not accepted which appear to be designed primarily to give publicity to a commodity or service.

4. All additional listings in connection with a subscriber's service, except night service, must bear the same address and telephone number as the primary listing, except that additional listings in connection with extension stations not located on the same premises as the primary station, may show the address at which the station is located but will be accepted only in the name of the subscriber.

5. Residence listings consist of a name, an abbreviation indicating "residence", the address of the premises in which service is furnished and the telephone number.

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Schedule No. A-14

DIRECTORY LISTINGS

SPECIAL CONDITIONS--contd.

6. Residence listings may be those of the subscriber or members of the subscriber's domestic establishment residing on the premises in which the subscriber's service is provided.

7. The charge for additional listings begins with the day they are included in the information records, and when printed in the directory may not be discontinued until the end of the directory period, unless the subscriber's service is discontinued.

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Schedule No. A-15

SUPPLEMENTAL EQUIPMENT

APPLICABILITY

Applicable to supplemental equipment service.

TERRITORY

Within the territory served.

RATES

	<u>Installation Charge</u>	<u>Rate per Month</u>
Extension Bell .....	\$4.00	\$0.50
Extension Gong .....	4.00	1.00

SPECIAL CONDITIONS

1. All supplemental equipment covered by this schedule will be installed and maintained by the Company, will remain the property of the Company, and may be removed upon discontinuance of service.
2. The maximum number of bells which will be connected simultaneously to any grade of service will be in accordance with limitations set forth in Rules and Regulations.

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Schedule No. A-29

MOVES AND CHANGES

APPLICABILITY

Applicable to moves and changes of telephone apparatus.

TERRITORY

Within the exchange areas of the Company as said areas are defined on maps filed as part of the tariff schedules.

RATES

	<u>Charge</u>
Subscriber's Telephone Set:	
Move From One Location to Another .....	\$4.00
Change in Type or Style of Set .....	4.00

SPECIAL CONDITIONS

1. Charges for moves or changes of equipment other than those listed under RATES will be an amount equal to the actual cost of labor and material.
2. When moves or changes are initiated by the Company no charges apply.
3. No charges apply if the changes are required because of a change in type, class, or grade of service.
4. The above charges apply only to moves on the same premises. For other moves the charges set forth in Schedule No. A-30, Service Connection Charges, will apply.

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Schedule No. A-30

SERVICE CONNECTION CHARGES

APPLICABILITY

Applicable to service connections.

TERRITORY

Within the exchange areas of the Company as said areas are defined on maps filed as part of the tariff schedules.

RATES

	Charge	
	<u>Residence</u>	<u>Business</u>
1. New Service:		
Individual or Party Line Station, Each .....	\$6.00	\$7.50
Extension Station, Each .....	4.00	4.00
2. Additional Service:		
Individual or Party Line Station, Each .....	6.00	7.50
Extension Stations, Each .....	4.00	4.00
3. Instrumentalities in Place and No Change of Location or Type of Facilities Involved:		
Subscribers' Exchange Service and Facilities ..	4.00	4.00

SPECIAL CONDITIONS

1. Service connection charges provided for herein are in addition to the regular schedule of rates.

2. Service connection charges do not apply under the following conditions:

Business Service

- a. When service is assumed by a receiver or by trustee, executor, or administrator of an estate.
- b. Change in the name of the business concern when there is not complete change in ownership or management.

Residence Service

- a. When service is assumed by a member of the former subscriber's family located in the same premises.
- b. When there is no change in the individuality of the recipient.
- c. When the subscriber's name has been changed by marriage or by court order.

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Schedule No. A-31

LINE EXTENSION CHARGES

APPLICABILITY

Applicable to charges for line extensions.

TERRITORY

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

RATES

	<u>Charge</u>
1. Line Extensions Within the Base Area:	
Extensions of plant necessary to provide telephone service within the base rate area .....	No Charge
2. Line Extensions in the Suburban Area:	
Extensions to plant for distances of 500 feet or less, per applicant .....	No Charge
Extensions to plant for distances of more than 500 feet, per applicant .....	Actual Cost

SPECIAL CONDITIONS

1. General:

Line extension charges are applicable in connection with all classes, types and grades of service (except farmer line service) when established by means of an extension to the Company's plant consisting of "buried wire" or pole construction and including extensions by means of poles to be owned by the Company jointly with others and by means of contacts or contact space on poles of others.

All line extensions will be owned and maintained by the Company. The applicant, however, if he so elects, may furnish and set the required poles in excess of the distance for which there is no charge in accordance with the construction standards of the Company, in lieu of the charges applicable, but in all instances the ownership of facilities shall be entirely vested in the Company.

2. Measurement of Distances:

Distances mentioned in this schedule are route distances. The routing of line extensions will be determined by the Company.

In no case will the total extension to plant (along public highways and along private roads or in private property) per applicant, to be furnished without charge in the suburban area, exceed 500 feet.

## Schedule No. A-31

LINE EXTENSION CHARGES  
(Continued)SPECIAL CONDITIONS---contd.

## 3. Payment of Charges:

Line extension charges are payable in advance. Such advance payments will be refunded by credits to the applicant's monthly billings for service by one sixtieth of the total cost of such additional extensions for each continuous month less than 60 that the service is retained by the applicant.

## 4. Disconnects:

When one or more subscribers on a project disconnect, no refund is made of the line extension charge. Charges to remaining subscribers are not affected by disconnects.

5. Where more than one applicant participates in such advance payments, the total costs of such additional extensions will be prorated between the applicants in proportion to the service installed and refund credits prorated accordingly.

## 6. Reuse of Facilities:

When a subscriber disconnects service or moves off the project and service is established for a new applicant at the same location, any adjustment in charges is a matter for negotiation between the original subscriber and the new applicant.

7. Line extensions to provide service to an applicant engaged in temporary or speculative business will be made on the condition that applicant pays to the Company the total cost of the construction and removal of the line necessary in furnishing the service less the salvage value of the materials used.

8. Contracts, covering periods of not to exceed three years of telephone service, may be required by the Company as a condition precedent to the establishment of the service when line extensions are necessary.

9. Arrangements, other than those provided for in the foregoing schedule, may be made when a line extension involves submarine cable, underground crossings of railroads, highways, or power lines, or long river crossings or other unusual or disproportionately large construction expenditures as compared with the usual type of plant construction. Any such arrangements shall be subject to review by the Public Utilities Commission of the State of California.

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## Schedule No. B-1

MESSAGE TOLL TELEPHONE SERVICEAPPLICABILITY

Applicable to message toll telephone service.

TERRITORY

Between points connected by facilities owned or operated by the Company.

RATES

1. Between the San Miguel and Parkfield exchanges:

	First 3 Minutes	Each Additional Minute	
		First 3	Over 3
Station Service			
Paid .....	\$0.25	\$0.05	\$0.05 ←
Collect .....	.30	.10	.05
Person Service			
Paid and Collect .....	.45	.15	.05

SPECIAL CONDITIONS

1. Message toll telephone service between points on the lines of this Company and points on the lines of connecting companies is furnished at the regularly filed rates of the connecting companies.

2. Station service is that service under which the person originating the call gives only the telephone number of the station desired or the name and address under which the telephone is listed and does not specify a particular person to be reached at the called point. On calls placed on a station service basis, conversation is considered as starting at the time telephonic communication is established between the calling station and the called station.

3. Person service is that service under which the person originating the call specifies a particular person to be reached at the called point or a particular station, department, office or branch reached through a private branch exchange. On calls placed on a person service basis, conversation is considered as starting at the time telephonic communication is established between the person calling and the particular person called, another party acceptable to the person calling or the private branch exchange extension station called.

4. Charges for all classes of telephone calls are billed against or collected from the calling telephone 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, or by special arrangement calls are billed against a third party telephone. Reversal of charges on station service calls is permitted when anyone answering accepts the charges.

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The rate schedules shown in this appendix shall become effective on or after November 1, 1954, but not until the Company has complied with conditions required by this decision. The schedules shown in Appendix A that conflict with the schedules in this appendix shall be withdrawn when these schedules become effective.

Schedules to be Filed, Included Herein

<u>Schedule No.</u>	<u>Description</u>
B-1	Message Toll Telephone Service
B-2	Toll Station Service
B-3	Toll Service - Station Service

Schedules to be Withdrawn

<u>Schedule No.</u>	<u>Description</u>
A-6	Farmer Line Service - Parkfield
B-1	Message Toll Telephone Service

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## Schedule No. B-1

MESSAGE TOLL TELEPHONE SERVICEAPPLICABILITY

Applicable to message toll telephone service.

TERRITORY

Between points connected by facilities owned or operated by the Company.

RATES

1. Toll service between the San Miguel exchange and the Parkfield toll station service area:

	<u>Rates</u>		
	<u>First 3 Minutes</u>	<u>Each Additional Minute First 3</u>	<u>Over 3</u>
Station Service			
Paid .....	\$0.25	\$0.05	\$0.05
Collect .....	.30	.10	.05
Person Service			
Paid and Collect .....	.45	.15	.05

2. Toll service between stations within the Parkfield toll station service area:

	<u>Rates</u>
Initial 3-minute period or fraction thereof .....	\$0.10
Each additional 2-minutes or fraction thereof .....	.05

SPECIAL CONDITIONS

1. Toll telephone service between points on the lines of this Company and points on the lines of connecting companies is furnished at the regularly filed rates and conditions of the connecting companies.

2. Under RATES 2 person service and collect calls are not offered.

3. Station service is that service under which the person originating the call gives only the telephone number of the station desired or the name and address under which the telephone is listed and does not specify a particular person to be reached at the called point. On calls placed on a station service basis, conversation is considered as starting at the time telephonic communication is established between the calling station and the called station.

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Schedule No. B-1

MESSAGE TOLL TELEPHONE SERVICE  
(Continued)

SPECIAL CONDITIONS—contd.

4. Person service is that service under which the person originating the call specifies a particular person to be reached at the called point or a particular station, department, office or branch reached through a private branch exchange. On calls placed on a person service basis, conversation is considered as starting at the time telephonic communication is established between the person calling and the particular person called, another party acceptable to the person calling or the private branch exchange extension station called.

5. Charges for all classes of telephone calls are billed against or collected from the calling telephone 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, or by special arrangement the calls are billed against a third party telephone. Reversal of charges on station service calls is permitted when anyone answering accepts the charges.

6. The rate center for toll stations located in Farkfield toll station service area is the center of Section 26, T23S, RL4E, MDB & M.

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Schedule No. B-2

TOLL STATION SERVICE

APPLICABILITY

Applicable to toll station service.

TERRITORY

Within the Parkfield toll station service area.

RATES

	<u>Rate per Month</u>
Each Toll Station:	
Station Charge .....	\$2.00
Minimum Monthly Guarantee .....	5.00
Each Extension Station .....	1.50

SPECIAL CONDITIONS

1. The rates for each toll message will be in accordance with the provisions of Schedule No. B-1.
2. The establishment of toll stations connected to the Company's toll lines will be at the Company's discretion. The equipment provided may be coin-box or other at the Company's option.
3. A toll station will be provided equipment for one primary station. Supplemental equipment will be provided at the discretion of the Company at rates specified in Schedule No. A-15, Supplemental Equipment.
4. Under the application of the minimum monthly guarantee shown under RATES the subscriber must guarantee each month from each station toll revenue, not less than the amount shown, for toll service which is entirely over the lines of this Company. When the applicable revenue is less than the guarantee, the subscriber will be required to make up the deficit. When the applicable revenue is greater than the guarantee, no allowance will be made the subscriber in any other month. The minimum monthly guarantee is in addition to the station charge.
5. Any necessary line extension will be made in accordance with Schedule No. A-31, Line Extensions.
6. Charges for service connection and moves and changes will be in accordance with the rates and charges specified in the corresponding exchange service schedules.

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Schedule No. B-3

TOLL SERVICE - STATION SERVICE

APPLICABILITY

Applicable to stations on subscriber-owned lines connected to toll lines of this Company.

TERRITORY

Within the Parkfield toll station service area.

RATES

	<u>Rate per Month</u>
Station Charge .....	\$1.75
Minimum Monthly Guarantee .....	None

SPECIAL CONDITIONS

1. For lines which are permanently connected to the Company's toll line, each call to, from, or between stations on the line will be a toll call charged for at the rates set forth in Schedule No. B-1.
2. For lines which are not permanently connected to the Company's toll line, Condition 1 applies when a subscriber line is connected to the Company's line. There will be no message charge for calls between stations on the subscriber line when it is not connected to the Company's toll line.
3. Toll service-station service will be provided to less than five subscribers, provided the total minimum station revenue of each circuit is not less than that of five stations.
4. The subscribers will provide, own and maintain all lines and facilities to the point of connection with the Company's toll line.