

**ORIGINAL**Decision No. 52034

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

JOSEPH L. ELVIDGE, JOHN EDWARD  
 WILLEY, CALVIN C. STEWART,  
 S. LINDROTH, MARIE FRASER, HAROLD  
 FRASER and TRINITY NATIONAL  
 LUMBER CORP., a corporation

Complainants,

vs.

WESTERN TELEPHONE COMPANY, a  
 corporation,

Defendant.)

Case No. 5573

Robert N. Conners, of Falk & Falk, for complainants.  
W. G. Snyder, President, for Western Telephone  
 Company.

Eldon N. Dye, for California Farm Bureau Federation,  
 interested party.

J. B. Balcomb, for the Commission Staff.

O P I N I O NNature of Proceeding

The complaint of Joseph L. Elvidge and six others, filed September 10, 1954, alleges that Western Telephone Company's service in the Fort Seward-Blocksburg area, northeast of Garberville, Humboldt County, is inadequate and defective. They seek an order requiring defendant to provide a minimum of four additional lines into the area and the provision of "continuous intelligible" service over each of said lines.

Defendant, by its answer, alleges that 17 parties (not 27 as stated in the complaint) are on the same toll line in the Fort Seward area; that upon acquiring that portion of its system from J. P. Thomas in 1950 it embarked on a program, which is still continuing, of rehabilitation of the line; that at least half the

circuit outages are caused by line breaks due to lumbering operations; that any number of circuits necessary to serve the Fort Seward area can be provided by addition of carrier telephone equipment.

Defendant requests dismissal of the complaint upon a number of grounds, chief among which are that its reconstruction program is being carried forward and that complainants have presented no engineering studies from which it can be determined how many telephone lines are necessary to serve defendant's toll station subscribers and the public in the Fort Seward area.

#### Public Hearing

By letter dated November 4, 1954, complainants' counsel advised the Commission that if certain informal commitments received from defendant were carried out, the case might be disposed of without further action. On August 10, 1955, however, complainants' counsel further advised the Commission that his clients desired a formal hearing. Accordingly, the case was set for hearing at Garberville on September 14, 1955, before Examiner John M. Gregory and, upon evidence being taken, the matter was then submitted for decision.

#### Description of System and Construction Program

The facilities involved in this case are those which serve the communities of Harris, Alderpoint, Fort Seward and Blocksburg, situated generally from about 10 to 25 miles northeast of Garberville, where the company maintains an office and resident manager.

Toll station service is furnished to 17 subscribers, including lumber companies and ranchers in the Alderpoint-Fort Seward-Blocksburg area and along Dobbyn Creek. Two new public telephone booths recently have been installed at Fort Seward and Blocksburg.

After defendant acquired the system from J. P. Thomas in September, 1950, it proceeded to install a new metallic circuit on new poles from the Capitol Lumber Company to Blocksburg and Fort Seward. In 1952 and 1953, the company, in conjunction with The Pacific Telephone and Telegraph Company, constructed a new pole line between Garberville and Pratt Mountain Junction, preparatory to consolidating alignment of the Fort Seward-Blocksburg and Alderpoint-Harris circuits. This construction, providing for use of Pacific's Class A pole line carrying the Eureka-San Francisco cable, necessitates yearly payments by Western to Pacific for contact on all Pacific's poles.

In 1954, while construction was proceeding on new facilities between Harris and Alderpoint, the company arranged to lease a portion of a circuit between Alderpoint and Fort Seward from Pacific and installed a carrier system between Garberville and Alderpoint over the then existing Alderpoint circuit. This resulted in improved service to Fort Seward and Blocksburg. Construction of the Harris-Alderpoint pole line was completed in August, 1954, and the new circuit to Alderpoint was placed in operation, along with an additional circuit obtained by transferring the prior existing Alderpoint circuit to the new poles.

As of the date of hearing (September 14, 1955) the company was engaged in clearing right of way and constructing the Alderpoint-Capitol Lumber Company pole line. It was necessary, however, to stop that work for about three weeks to construct new facilities in the Ettersburg area (about 20 miles west of Garberville), because of need to correct for induction interference from new power lines built in that area.

The company plans to move a steel terminal building from Willow Creek to Alderpoint to house carrier equipment and, before the end of this year, to install additional carrier equipment and establish new Blocksburg and Alderpoint circuits, after completion of the Alderpoint-Capitol Lumber Company pole line.

The Company's Financial Problem

Total investment in plant additions planned and constructed in the area here involved since 1951 to the end of 1955, amounts to \$46,622. An additional \$1,000 has been invested in telephone station equipment.

Due to scattered locations of telephones and the rugged terrain in which the Company operates, revenue per year equal to one-fourth the amount invested is required to pay costs of maintaining lines and equipment, taxes on the line, costs of operation, interest on borrowed funds, depreciation and a reasonable profit. It appears from the record that, with an investment of \$47,600 and an annual revenue of \$9,414, the Company is serving the Alderpoint-Fort Seward-Blocksburg area at a loss. An investment of about \$1,300 per telephone is required in that area, as contrasted with an average investment only slightly in excess of \$450 per telephone on the entire system.<sup>1/</sup>

The record indicates that the Company is proceeding to provide necessary facilities as rapidly as possible under unfavorable conditions of terrain, weather, limitations in personnel of construction crews, and finances. With completion of its present construction program, the Company will have three circuits instead

<sup>1/</sup> Western Telephone Company maintains central offices at Weaverville, Willow Creek, Garberville, Laytonville and Covelo. It provides service in Trinity County and in portions of Humboldt and Mendocino Counties.

of one in the Fort Seward-Blocksburg area, which should materially improve service. This program should be completed by the end of the year unless weather conditions require unusual maintenance work.

Complainant's Position

Complainants, though conceding service has improved since installation of new circuits and facilities as described above, complained chiefly that the Company's line in the Fort Seward-Blocksburg area was overcrowded; that it was extremely difficult to get on the line during business hours and early evenings; that circuit outages were frequent, especially in winter; and that applications for service by prospective users have been discouraged by the Company.

Summary and Conclusions

The evidence presented by complainants on this record indicates an urgent need for additional circuit facilities in order to permit greater use of defendant's telephone system in the area in question. Delays of two hours or more in getting on a busy line, as recorded by the evidence, indicate a serious deficiency in service which the Company should endeavor to correct promptly by whatever means may be available to it.

Leasing of facilities from Pacific Company between Alderpoint and Fort Seward may provide a temporary solution pending completion by defendant of new circuits by the end of this year, as planned. Also, in the interest of increasing its revenue, the Company should undertake a commercial survey in the area to find out what prospects there may be for increased patronage. We recognize, of course, that addition of new subscribers now to an already saturated line is no solution.

The order to follow will direct the Company to carry to completion, with all possible dispatch, its present program of construction and to report biweekly to the Commission the progress being made. The order will also direct the Company to secure temporary facilities between Alderpoint and Fort Seward from Pacific Company, if possible, by lease or other appropriate arrangement, and to report to the Commission when that has been accomplished.

O R D E R

Public hearing having been held on the complaint herein, evidence having been received and considered, the matter having been submitted for decision, the Commission now being fully advised and basing its order upon the findings and conclusions contained in the foregoing opinion,

IT IS HEREBY ORDERED that:

1. Western Telephone Company, a corporation, defendant herein, shall carry to completion with all possible dispatch its construction program, now under way, for provision of additional telephone circuits on its line between Alderpoint, Fort Seward and Blocksburg, and shall report progress of said construction, in writing, to the Commission at biweekly intervals, commencing with the effective date of this order and terminating with completion of said construction and the placing in operation of said circuits.

2. Western Telephone Company shall forthwith attempt to secure from The Pacific Telephone and Telegraph Company, by lease or other mutually satisfactory arrangement, additional telephone circuit facilities between Alderpoint and Fort Seward, pending completion of construction and placing in operation of defendant's proposed new circuits between those points. Defendant shall report

to the Commission, in writing, immediately upon ascertaining whether or not such facilities may be obtained and the arrangements made with respect thereto.

3. Western Telephone Company, within 120 days from the effective date of this order, shall complete a commercial survey of the Garberville-Harris-Alderpoint-Fort Seward-Blocksburg area, to determine the possibility of increasing its patronage in those areas, and shall report to the Commission, in writing, not later than February 15, 1956, the result of such survey.

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

Dated at San Francisco, California, this 4<sup>th</sup> day of October, 1955.

[Signature]  
President

[Signature]

[Signature]

[Signature]

[Signature]  
Commissioners