

LEGAL NOTICE.
 P. S. C. Or. Order No. 788.
 Before the Public Service Commission of Oregon.

In the Matter of the application of the Home Independent Telephone Company of La Grande, Oregon, for permission to increase certain telephone rates at La Grande and Island City, Oregon.

This matter is before the Commission on the application of the Home Independent Telephone Company, of La Grande, Oregon, for permission to increase the schedule of certain telephone rates at La Grande and Island City, Oregon, now on file with this Commission, as designated in P. S. C. Or. 35, on the ground that said company is installing a more efficient and higher class of service.

After due and legal notice to all interested parties, the above entitled matter came on regularly for public hearing before the Commission at the City Hall, La Grande, Oregon, on the 18th day of November, 1921, at the hour of 10:00 o'clock A. M., at which time and place witnesses were called, sworn, testified and their testimony taken by reporter for the Commission.

APPEARANCES:
 Home Independent Telephone Company of La Grande:
 By Cochran & Eberhard and Ed Wright, attorneys.
 City of La Grande:
 By J. D. Slater, attorney.

STATEMENT.
 This matter is before the Commission for authority to increase the telephone rates in the City of La Grande and Island City, Oregon, on the grounds that the applicant herein, at a large expense, has installed a more modern and improved telephone system in said cities, and that it is necessary to receive this increase in order to carry the large investment incident to such improvement.

Jurisdiction:
 The Home Independent Telephone Company of La Grande is a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, to conduct and operate a telephone business in Union and Wallawa counties, Oregon. Its principal office and place of business is La Grande, Union County, Oregon. Said applicant furnishes telephone service generally to the residents and inhabitants of said territory and in such capacity is a public utility and subject to the jurisdiction of this Commission and the provisions of Chapter 279 of the General Laws of Oregon for 1911 and all acts amendatory thereof and supplemental thereto.

Location:
 The present telephone system operated by this company consists of seven central office exchanges located in Union and Wallawa Counties, Oregon, one of which is located at La Grande, Oregon, serving the cities of Island City and La Grande. The rates in said cities being at issue in this matter.

Service:
 At the present time the Exchange at La Grande is equipped with a switchboard of obsolete type, filled to a point of saturation, and additions to the board are impracticable owing to its age and deteriorated condition. The record also shows that this switchboard has been the source of many complaints and much dissatisfaction among the patrons of said company in La Grande as to the quality of service rendered.

New Installations:
 The applicant has acquired a modern fire proof building centrally located, which is now being remodelled and is installing therein one of the late types of common battery equipment and apparatus, and is also rebuilding pole lines and installing needed cable facilities throughout the City of La Grande. Upon completion of the rearrangements La Grande will be well equipped with one of the very latest types of equipment in one of the most modern exchange buildings in the State of Oregon. The cost of said improvements will amount to more than eighty thousand dollars (\$80,000.00).

Franchise Tax:
 The record indicates that under the franchise issued the Home Independent Telephone Company, the City of La Grande requires, under a graduated scale, the company to pay a stipulated percentage of its gross earnings to the City Treasurer. While this practice was more or less general some years ago, it does not meet with the approval of this Commission. The telephone system of La Grande is performing an important and necessary public service, yet under the present plan of providing the cost thereof, only the telephone user contributes; and not only does the telephone user provide the entire cost of maintaining the telephone system for the city, but in addition, he pays for a portion of the cost of the city government through the medium of franchise taxes. In effect, it is double taxation on telephone rates.

Conditions of Franchise:
 The Commission of William Crook for the County of Union, in 1889, in the exercise of the Home Independent Telephone Company, has increased the efficiency and capacity of its plant located in the City of La Grande in such a manner as to render better service generally to its patrons; that it has asked for an increase in rates in said city by reason of such increased investment and bettered service, and that the said rates are not unreasonable nor in excess of the rates collected for a like service by other utilities in similar sized cities.

General:
 From an examination of the entire

record herein, it appears that the applicant, The Home Independent Telephone Company, through a large addition of capital, has increased the efficiency and capacity of its plant located in the City of La Grande in such a manner as to render better service generally to its patrons; that it has asked for an increase in rates in said city by reason of such increased investment and bettered service, and that the said rates are not unreasonable nor in excess of the rates collected for a like service by other utilities in similar sized cities.

Therefore, based on the above statement of facts, the Commission makes its findings as follows:

FINDINGS.

1. That the subject matter and the parties to said above entitled matter are subject to the jurisdiction of the Public Service Commission of Oregon and the provisions of Chapter 279 of the General Laws of the State of Oregon for 1911, and all acts amendatory thereof and supplemental thereto.

2. That by reason of this installation of a modern telephone plant in lieu of the present existing plant, and increased investment and the better service rendered thereby, the rates in P. S. C. Or. No. 38 for the Cities of Island City and La Grande on which the present revenues of this utility in Island City and La Grande, Oregon, are based, are inadequate and are found to be insufficient, unreasonable and unjustly discriminatory and not such as to furnish a basis upon which to predicate efficient service.

3. That the fair, reasonable and not unjustly discriminatory rates, rules and regulations to be applied by the Home Independent Telephone Company for efficient service in lieu of those now in force and effect in Island City and La Grande, are as follows:

Rates:

ISLAND CITY.

Business—Unlimited Service—

Wall Set	per month
Individual Line	\$5.00
Two-Party Line	\$5.60
Extension—with bell	\$.99
Extension—without bell	\$.75

Residence—Unlimited Service—

Two-Party Line	\$3.00
Four-Party Line	\$3.30
Extension—without bell	\$.59
Extension—with bell	\$.65

(For desk instrument, add 25c.)

LA GRANDE.

Business—Unlimited Service—

Individual Line	\$5.00
Two-Party Line	\$4.00
Ten-Party Suburban Line (central selective signal)	\$3.25
Suburban Party Line	\$2.50
Farmer Line—Switching Service	\$1.00
Extension—without bell	\$.75
Extension—with bell	\$.99

Residence—Unlimited Service—

Individual Line	\$3.00
Two-Party Line	\$2.50
Four-Party Line	\$2.95
Ten-Party Suburban Line (central selective signal)	\$2.25

Hotel Private Branch Exchange, Flat Rate Service.

Switchboard:
 Non-Multiple, with battery power, ringing circuit and switchboard telephone, for each position, per position equipped with not to exceed fifteen (15) drops \$2.00
 Each additional group of five (5) drops or fraction thereof \$.20

Trunks:
 First Bothway trunk, Individual Business line rate, Each additional bothway trunk individual business line rate less \$.50

Stations—
 Each station not in guest room (subject to mileage if not in building with exchange) \$1.00
 Each station in guest room \$.50
 (An additional charge of 25c per month will be made for desk type instrument.)

Suburban Party line \$2.00
 Farmer Line—Switching service 8.50
 Extension—without bell \$.59
 Extension—with bell \$.65
 (For desk type instrument add 25c.)

ORDER.
 Based upon the foregoing findings and statement and the entire record herein, IT IS HEREBY ORDERED that the Home Independent Telephone Company be and the same hereby is authorized to discontinue its present rates, rules and regulations pertaining to service in Island City and La Grande, Oregon, as specified in the P. S. C. Or. 38 found to be inadequate and non-compensatory for the service now rendered, and to substitute in lieu thereof the schedule hereinabove in the findings set forth to be just, reasonable and not unjustly discriminatory.

AND IT IS FURTHER ORDERED that the rates so authorized shall be considered as maximum rates for the service specified and nothing herein shall be construed as preventing the utility from filing additional rates and regulations as occasion may require for service not so specified and not in conflict with the intent of this order, or other orders, rules or regulations provided by this Commission and further provided that they do not discriminate against any class of persons or property, or against any class of service, or against any class of property.

AND IT IS FURTHER ORDERED that the above mentioned rates shall apply only in the Cities of Island City

and La Grande, County of Union, and that all other rates, rules and regulations, except as herein set out shall be and remain as heretofore, and no effective date hereof is January 1st, 1922, AND IT IS SO ORDERED.

Dated at Salem, Oregon, this 28th day of December, 1921.

Public Service Commission of Oregon
 Fred A. Williams,
 H. J. Corey,
 Fred G. Buchtel,
 Commissioners.

Attest:
 Wm. P. Ellis, Secretary.
 Office of the
 Public Service Commission of Oregon,
 State of Oregon,
 (County of Marion,) ss.

Charter No. 3655. Reserve District No. 12.

REPORT OF CONDITION OF THE LA GRANDE NATIONAL BANK
 at LA GRANDE,
 in the State of Oregon, at the Close of Business on December 31, 1921.

RESOURCES—

Loans and discounts, including rediscounts	\$1,146,527.09
Total loans	\$1,146,527.09
Deposits:	
Notes and bills rediscounted with Federal Reserve Bank (other than bank acceptances sold)	33,000.00
U. S. Government securities owned:	
Deposited to secure circulation (U. S. bonds par value)	200,000.00
All Other United States Government Securities	87,084.80
Total	287,084.80
Other bonds, stocks, securities, etc.:	
Banking House, \$60,000.00; Furniture and fixtures, \$17,000.00	77,000.00
Real estate owned other than banking house	23,544.79
Legal reserve with Federal Reserve Bank	77,546.43
Cash in vault and amount due from national banks	197,836.24
Amount due from State banks, bankers, and trust companies in the United States (other than included in Items 8, 9 or 10.)	4,847.70
Checks on other banks in the same city or town as reporting bank (other than item 12.)	
Total of Items 9, 10, 11, 12 and 13	205,800.36
Checks on banks located outside of city or town as reporting bank and other cash items	7,023.90
Redemption fund with U. S. Treasurer and due from U. S. Treasurer	10,000.00
Total	\$1,829,723.06

LIABILITIES—

Capital stock paid in	200,000.00
Surplus fund	65,000.00
Undivided profits	3,840.75
Circulating notes outstanding	109,995.00
Amount due to national banks	25,169.62
Amount due to State banks, bankers, and trust companies in the United States and foreign countries (other than included in Items 21 or 22.)	1,666.55
Certified checks outstanding	1,641.45
Total of Items 21, 22, 23, 24, and 25	28,477.63
Demand deposits (other than bank deposits) subject to Reserve (deposits payable within 30 days):	
Individual deposits subject to check	701,843.40
Certificates of deposit due in less than 30 days (other than for money borrowed)	150,430.92
Dividends Unpaid	12,900.00
Total of demand deposits (other than bank deposits) subject to Reserve, Items 26, 27, 28, 29, 30 and 31	864,274.32
Time deposits subject to Reserve (payable after 30 days, or subject to 30 days or more notice, and postal savings):	
Certificates of deposit (other than for money borrowed)	311,688.25
Other time deposits	119,548.01
Total of time deposits subject to Reserve, Items 32, 33, 34, and 35	431,236.26
United States Deposits (other than postal savings) including War Loan deposit account and deposits of United States Disbursing officers	5,000.00
Advances received from War Finance Corporation	30,200.00
Letters of Credit and Travelers' Checks sold for cash and outstanding	1,300.00
Total	\$1,829,723.06

I, F. L. Meyers, Cashier of the above named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief. F. L. MEYERS, Cashier.
 Subscribed and sworn to before me this 4th day of January, 1922.
 Charles H. Reynolds, Notary Public. (My commission expires Feb. 24, 1924.)
 Correct—Attest: C. C. PENNINGTON,
 J. G. SNODGRASS,
 H. S. BROWNTON, Directors

Charter No. 9314. Reserve District No. 12.

REPORT OF CONDITION OF THE UNITED STATES NATIONAL BANK
 at LA GRANDE,
 in the State of Oregon, at the Close of Business on December 31, 1921.

RESOURCES—

Loans and discounts, including rediscounts	\$916,212.63
Total loans	916,212.63
U. S. Government securities owned:	
Deposited to secure circulation (U. S. bonds par value)	100,000.00
All Other United States Government Securities	98,946.00
Total	198,946.00
Other bonds, stocks, securities, etc.:	
Banking House, \$39,200; Furniture and fixtures \$16,670.00	55,870.00
Real estate owned other than banking house	11,212.15
Legal reserve with Federal Reserve Bank	74,185.71
Cash in vault and amount due from national banks	61,269.02
Amount due from State banks, bankers, and trust companies in the United States (other than included in Items 8, 9, or 10.)	7,955.61
Checks on other banks in the same city or town as reporting bank (other than item 12.)	
Total, Items 9, 10, 11, 12 and 13	71,795.80
Checks on banks located outside of city or town of reporting bank and other cash items	3,184.70
Redemption fund with U. S. Treasurer and due from U. S. Treasurer	5,000.00
Total	\$1,362,211.96

LIABILITIES—

Capital stock paid in	100,000.00
Surplus fund	25,000.00
Undivided Profits; Less current expenses and taxes paid	5,565.39
Circulating notes outstanding	100,000.00
Amount due to State banks, bankers, and trust companies in the United States and foreign countries (other than included in Items 21 or 22.)	5,570.34
Certified checks outstanding	385.00
Total of Items 21, 22, 23, 24, and 25	5,955.34
Demand deposits (other than bank deposits) subject to Reserve (deposits payable within 30 days):	
Individual deposits subject to check	654,960.00
Certificates of deposit due in less than 30 days (other than for money borrowed)	42,182.57
Total of demand deposits (other than bank deposits) subject to Reserve, Items 26, 27, 28, 29, 30 and 31	697,142.57
Time deposits subject to Reserve (payable after 30 days, or subject to 30 days or more notice, and postal savings):	
Certificates of deposit (other than for money borrowed)	97,358.55
Other time deposits	318,160.57
Total of time deposits subject to Reserve, Items 32, 33, 34 and 35	415,519.12
Total	\$1,362,211.96

I, T. J. Scroggin, Cashier of the above named bank, do solemnly swear that the above statement is true to the best of my knowledge and belief. T. J. SCROGGIN, Cashier.
 Subscribed and sworn to before me this 4th day January, 1922.
 J. J. Conley, Notary Public. (My commission expires March 10, 1923.)
 Correct—Attest: J. J. CONLEY,
 AUG. J. STANGE,
 U. G. COUCH, Directors

7 1-2 CENTS A DAY

DID YOU EVER STOP TO CONSIDER THE TELEPHONE SERVICE COSTING \$2.25 A MONTH ONLY AMOUNTED TO 7 1/2 CENTS A DAY?

HAVE YOU EVER COMPARED THE VALUE YOU RECEIVE FOR THIS 7 1/2 CENTS WITH MONEY THAT YOU SPEND FOR OTHER THINGS EVERY DAY?

LA GRANDE HAD JUST 67 TELEPHONES IN 1899. LA GRANDE NOW HAS OVER 1900 TELEPHONES CONNECTED TO ONE OF THE MOST MODERN PLANTS IN THE WORLD.

ONE CALL A DAY AND YOU HAVE SAVED THE PRICE OF YOUR PHONE.

HOME INDEPENDENT TELEPHONE CO.