

Decision No. 25286.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
THE PACIFIC TELEPHONE AND TELEGRAPH
COMPANY for an order to adjust rates
at its Aptos exchange in connection
with increasing the hours of service.

) Application No. 18427.

James G. Marshall, for The Pacific
Telephone and Telegraph Company.

BY THE COMMISSION:

O P I N I O N

The Pacific Telephone and Telegraph Company, a corporation, operating a telephone and telegraph system in California and other states, in this application asks for authority to increase certain rates for telephone service in its Aptos Exchange coincident with the establishment of continuous twenty-four hour service.

A public hearing in this application was held by Examiner Fry at Aptos on October 13, 1932, when interested subscribers were given an opportunity to be present and to be heard and the matter was taken under submission.

Aptos telephone service is furnished to about 100 telephones located in the town and adjacent territory on a continuous twenty-four hour basis from June 1st to September 30th, and from 7:00 A.M. to 10:00 P.M. on week days and 8:00 A.M. to 10:00 P.M. on Sundays and holidays from October 1st to May 31st. It is proposed to establish twenty-four hour continuous daily service

throughout the year.

G. P. Wallick, Division Commercial Manager, Coast Division of applicant Company, introduced in evidence certain facts and figures relating to the operations and earnings of the Aptos Exchange and the value of the property in use. The fixed capital is approximately \$17,700. The Company failed by \$1,067. of meeting its operating expenses in the Aptos Exchange in 1931. It is estimated that if the present rates and hours of service are continued twelve months, the revenues would fail to meet all expenses by \$770. If the changes proposed are authorized, the revenues would fail to meet the expenses by \$780. However, if more applications for service should be received than estimated under the more satisfactory hours of service, the revenues would be increased to a greater degree than the expenses and the results of operations would be more favorable.

The present and the proposed rates are as follows:

	<u>Rate per Month</u>	
	<u>Present</u>	<u>Proposed</u>
Business Flat Rate Service:		
Each individual line desk set station,	\$2.75	\$3.00
Each two-party line desk set station,	2.25	2.50
Residence Flat Rate Service:		
Each individual line desk set station,	2.25	2.50
Each two-party line desk set station,	2.00	2.25
Each four-party line desk set station,	1.75	2.00
Each wall set station - desk set station rate less \$.25 per month.		
Each hand set station - desk set station rate plus \$.25 per month.		

The application was amended so as to include an increase in the monthly charge for trunks to private branch exchanges.

As the rates for such trunks are based upon the rate applicable to business flat rate individual line service, it is consistent that, when the rate for business individual line service is increased, a proportionate increase will be made in the charges for Private Branch Exchange trunk service. It is noted that the present subscriber to this service signed a card agreeing to the change in rate for his Private Branch Exchange trunk service. No changes in any other of the filed rates were proposed.

R. A. Reeser, District Sales Engineer, Salinas District, testified that he and a representative of Aptos Chamber of Commerce interviewed the Aptos subscribers and all but three signed cards agreeing to the proposed increase in rates and service.

The rates requested appear reasonable for continuous twenty-four hour service at Aptos and are in line with schedules for similar service under similar conditions elsewhere in California.

Full publicity of this proceeding was given and at the hearing an opportunity was given protestants and other interested parties to appear and express their views of the proposed increase in rates, but no objection was made to the granting of the application.

ORDER

The Pacific Telephone and Telegraph Company having made application to the Railroad Commission for authority to increase certain rates for telephone service in its Aptos Exchange, a public hearing having been held, the matter having been submitted and being ready for decision,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA hereby finds as a fact that The Pacific Telephone and Telegraph Company should increase the hours of service and certain telephone rates for service of its Aptos Exchange as stated in the Opinion which precedes this Order, and

Basing its order on the foregoing findings of fact and such other statements of fact and conclusions which appear in the Opinion preceding this Order,

IT IS HEREBY ORDERED that The Pacific Telephone and Telegraph Company is authorized to make effective for service in its Aptos Exchange on and after November 1, 1932, the proposed rates set forth in the Opinion which precedes this Order, provided,

- (1) Full twenty-four (24) hour continuous service is furnished on and after November 1, 1932.
- (2) All other rates and charges for service in the Aptos Exchange are not affected by this Order.
- (3) The schedule of rates herein authorized are submitted for filing on or before October 28, 1932.

For all other purposes the effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 24th day of October, 1932.

CC Seavey
Leon Whitely
W. A. Lee
W. B. Harris
Fred G. Stewart
Commissioners.