

Decision No. 38924

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of  
 RIPON TELEPHONE EXCHANGE, a public  
 utility, for an order authorizing  
 changes in directory advertising rates,  
 and conditions affecting those rates.

Application No. 27439

**ORIGINAL**OPINION AND ORDER

Ripon Telephone Exchange, Applicant in this proceeding, requests authority to increase its telephone directory advertising rates and modify conditions effective with the next issue of the directory scheduled for June 1, 1946. Appropriate notification was given the Office of Price Administration.

The present rates for directory advertising were established several years ago since which time the number of subscribers has grown substantially resulting in an increase in circulation, and in the cost of compiling, publishing, and delivering the directory. Applicant alleges that the cost of issuing the telephone directory materially exceeds the revenue from directory advertising. Accordingly, Applicant proposes to make certain changes in the directory, to offer trade mark and trade name advertising, and to increase the charges for advertisements.

It is proposed to bill the customers for advertising service on a monthly basis rather than on a per issue basis as at present. This change will place the directory on a billing period basis like other directories for comparable service. Applicant proposes to transfer all directory advertising from the alphabetical section of its directory to a new classified section and to discontinue all advertising on the cover pages. It is expected that these modifications will facilitate the use of the directory by telephone subscribers.

Applicant, in Exhibits A and B, has shown present and requested directory advertising rates.<sup>1/</sup> The level of the rates requested is comparable to that for similar directory service of other California telephone utilities

<sup>1/</sup> Present rates are as follows:

	<u>Rate per Issue</u>
(1) COVER:	
First Cover, front	
Top or bottom margins, 1" wide, each	\$3.00
Side margins, 1" wide, each	5.00
Other spaces, 2" wide, each	5.00
Second Cover, Inside Front	
*Full page	20.00
Third Cover, Inside Back	
*Full page	20.00
Fourth Cover, Outside Back	
*Full page	20.00
*Any space may be divided into smaller fractional spaces and sold to one or more advertisers providing a pro rata charge is made based on the charge for the entire page.	
(2) ALPHABETICAL PAGES:	
Top or bottom margins, 1" wide, each	2.50

Requested rates are as follows:

	<u>Charges per Month</u>
(1) Display Advertisements:	
One-quarter column	1.25
Above rate includes an anchor listing, if desired, under the heading with which the display is associated.	
(2) Column Advertising	
(a) Each informational listing	1.00
(b) Each trade mark heading	1.25
Above rates contemplate one column inch of space. An informational listing is limited to this depth. Trade mark headings may exceed this depth to a maximum of three regular type listings, each such line or fraction thereof taking the rate for an additional line of information.	
(c) Each trade mark or trade name cross reference	.50
(d) Each trade name listing	.50
Above rate contemplates the name of a product or service in bold type as a caption, and the advertiser's name in all capitals, regular type.	
(e) Listings:	
Each bold type listing	.35
Each regular type listing	.25
Additional lines of information	
Not to exceed a total of three lines in addition to the listing or trade mark heading with which associated.	
Each line or fraction thereof	.25

furnished under similar conditions. A copy of the form of application for directory advertising is attached to the application.

Directory advertising rates of California telephone public utilities are under the regulation of the Commission. The revenue from directory advertising service in accordance with the classification of accounts prescribed by the Commission is included in operating revenues and the expenses incurred in preparing copy, printing, binding, and distributing directories, and the cost of securing advertisements for directories, are included in operating expense. It is estimated that Applicant's gross revenue from telephone directory advertising service will be \$900 a year under the rates requested, and the expense of issuing the directory will be \$700 a year. Applicant alleges the present gross annual revenue from directory advertising service is approximately \$100, with expenses considerably in excess of that amount.

Ripon Telephone Exchange having made application for authority to increase rates and modify conditions related to its directory advertising service, the Railroad Commission having considered Applicant's request and being of the opinion that a public hearing is not required, and that the application should be granted, and finding that the increases in directory advertising rates herein ordered are justified, therefore,

IT IS ORDERED as follows:

1. Ripon Telephone Exchange may make effective, beginning with the June 1, 1946 issue of its telephone directory, the changes in practices discussed above and the rates and conditions as shown in Exhibit B attached to the application.
2. Necessary tariff filings, in accordance with General Order No. 96, shall be made not later than three days immediately preceding their effective date.
3. This Order shall become effective on the twentieth day after the date hereof.

1946

Dated at San Francisco California, this 7<sup>th</sup> day of May

Harold Anderson

Justin J. Craven

Wm. W. Brown

Wm. H. Powell

Harold Hills

Commissioners.