

Decision No. 39386

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the matter of the Application of
 COACHELLA VALLEY HOME TELEPHONE & TELEGRAPH CO.,
 a corporation, for an order authorizing changes
 in directory advertising rates, and conditions
 appertaining thereto,

Application No. 27783

OPINION AND ORDER

Coachella Valley Home Telephone and Telegraph Company, 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 on or about December 1, 1946, and to cancel its presently effective telephone directory advertising schedule. Appropriate notification was given to the Office of Price Administration.

The present rates for directory advertising were established in 1927 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 exceeds the revenue from directory advertising. Accordingly, Applicant proposes to make certain changes in the directory, provide for a greater variety of advertising classifications, and cancel its present advertising rates which offer advertising on inside and outside directory covers and certain margins on the alphabetical pages of the directory.

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 the same billing period basis as other comparable directories. 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.^{1/} Condition 16 of the requested schedule provides that display advertisements will be sold in a one-half column size at two times the rate for one-quarter column advertisement, and in a double one-half column size at four times the rate for a one-quarter column advertisement.

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 expenses incurred in preparing

1/ Present rates are as follows:

	<u>Rate Per Issue</u>
(1) Cover:	
First cover - lower quarter	\$ 10.00
Second " - half page	10.00
Third " - full page	12.00
Fourth " - half page	10.00
(2) Inside pages:	
Top or bottom - one-third	6.00

Requested rates are as follows:

	<u>Rate Per Month</u>
(1) Display advertisements:	
One-quarter Column	\$ 2.25
Above rate includes an anchor listing, if desired, under the heading with which the display is associated.	
(2) Column Advertising:	
(a) Each Informational Listing	1.50
(b) Each Trade Mark Heading	2.00
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	.65
(d) Each Trade Name Listing	.60
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	.50
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

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 approximately \$4,000 a year under the rates requested, and the expense of issuing the directory will be approximately \$3,200 a year.

Coachella Valley Home Telephone and Telegraph Company, having made application for authority to increase rates and modify conditions relating to its telephone 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 follow

1. Coachella Valley Home Telephone and Telegraph Company may make effective, beginning with the next issue of its telephone directory scheduled on or about December 1, 1946, 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 fifteen days immediately preceding their effective date.
3. This Order shall become effective on the twentieth day after the date hereof.

Dated at San Francisco California, this 10th day of September

1946.

Harold P. Gula
Justus F. Gorman
Francis D. ...
... ..
R. E. ...
Commissioners.