

ORIGINAL

Decision No. 40971

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
CALIFORNIA WATER & TELEPHONE COMPANY
to increase telephone rates.

Application No. 28693

Bacigalupi, Elkus and Salinger, by Claude N. Rosenberg for
Applicant; California Water & Telephone Company; J. J. Deuel
and Edson Abel for California Farm Bureau Federation;
Neville R. Lewis for the City of San Fernando; F. V. Rhodes
for the California Independent Telephone Association;
Paul F. Garber and Wilbur D. Garber for the City of Monrovia;
and Thomas A. Reynolds for the City of Sierra Madre.

MITTELSTAEDT, Commissioner:

INTERIM OPINION

In this application, filed September 4, 1947, California Water & Telephone Company requests authority to make effective a general increase in rates and charges for telephone service furnished by it. On October 20, 1947, the Company filed its First Supplemental Application requesting an interim emergency increase in the amount of approximately \$250,000 annually, or about 37% of the revenues affected, pending final disposition of the proceeding.

Public hearings were held in Los Angeles on October 30 and 31, 1947 at which time the Company introduced testimony and 23 exhibits in support of its application. The Company's request for an interim emergency increase in rates was taken under submission on October 31, 1947 and the proceeding in all other respects was held open for further investigation and hearings.

California Water & Telephone Company is a corporation organized and existing under the laws of the State of California. The Company, in addition to furnishing telephone service in portions of Los Angeles, Riverside, San Bernardino, and San Diego Counties, furnishes water service as a public utility in Los Angeles, Monterey, and San Diego Counties, and water service under private contract to

Del Monte Properties Company in Monterey County. The Company's total investment in property, plant, and equipment in service or under construction as of August 31, 1947 is reported at \$17,117,353.20 and its gross operating revenue for the twelve months ending August 31, 1947 is reported at \$3,167,932.49, the investment and revenues being segregated as follows:

Division	Investment		Revenue	
	Amount	Per Cent	Amount	Per Cent
Water	\$13,127,728.06	76.7%	\$1,640,825.74	51.8%
Telephone	3,989,625.14	23.3	1,527,106.75	48.2
Total	17,117,353.20	100.0	3,167,932.49	100.0

Of the total revenue received for telephone service for the twelve months ending August 31, 1947, 47.1% was from local service, 49.2% from toll service, and the balance or 3.7% was from miscellaneous services. Although approximately one-half of the Company's revenue is classified as toll, it conducts essentially an exchange business with most of the toll revenue being obtained as compensation from connecting companies for handling toll business.

Telephone exchange service is furnished in 16 exchanges including three within the Los Angeles metropolitan area. These exchanges served 23,144 telephone stations and the Company was holding 12,109 applications for primary service due to facility shortages as of August 31, 1947. The Company furnishes message toll telephone service over four exclusive routes - between Monrovia and Sierra Madre, Redlands and Loma Linda, Desert Hot Springs and Palm Springs, and Idyllwild and Hemet-San Jacinto. Connections for toll telephone and telegraph services are also maintained with facilities of The Pacific Telephone and Telegraph Company.

The Company had outstanding \$7,750,000 of bonds and \$6,425,000 of capital stock as of August 31, 1947 segregated as follows:

<u>Bonds</u>	
First Mortgage Bonds, 3.6% Series due June 1, 1971	\$5,850,000
First Mortgage Bonds, 3.25% Series due June 1, 1971	900,000
First Mortgage Bonds, 2-7/8% Series due June 1, 1971	<u>1,000,000</u>
Total Bonds	7,750,000

Capital Stock

Preferred \$1.20 Dividend Series-Cumulative Authorized 125,000 shares par value \$25 per share, Outstanding 107,000 shares	\$2,675,000
Preferred \$1.00 Dividend Series-Cumulative Authorized 50,000 shares par value \$25 per share, Outstanding 22,000 shares	550,000
Common Authorized 200,000 shares, par value \$25 per share, Outstanding 128,000 shares	<u>3,200,000</u>
Total Capital Stock	6,425,000

Of the total of 128,000 shares of common stock outstanding, Western Utilities Corporation held 86,799 shares, or 67.8%. Securities of Western Utilities Corporation are held approximately one-third by Loveland and Company of San Francisco, one-third by Central Illinois Securities Corporation, and one-third by the general public. The California Water & Telephone Company has paid common stock dividends at the rate of \$2 or more per share since 1936. In March, 1947 the Commission authorized the Company to issue \$470,000 of common stock to reimburse its treasury, because of surplus earnings invested in its properties. Subsequently, the Company distributed the \$470,000 of stock to its common stockholders as a dividend and thereby transferred that amount from earned surplus to common stock.

The Company has entered into new wage agreements with its employees granting wage increases effective June 1 and November 1, 1947. The new wage schedules are set forth in Exhibit 3. It is estimated that these wage awards, together with wage increases granted salaried employees in August, will increase the Company's annual wage costs for operations and construction approximately \$132,000, of which \$107,397 is estimated to be applicable to its telephone division. Of this latter figure, the amount chargeable to operating expenses is estimated at \$93,504. A comparison of typical wage rates in effect on January 1, 1941 and those made effective on November 1, 1947 (Exhibit 4) shows increases in rates per hour for beginners ranging from 90% to 175% and for employees at top levels ranging from 66% to 123%.

The Company presented testimony and exhibits with respect to earnings and rate of return on two bases. In Exhibits 5, 8, 10, and 15 it developed net income from telephone operations and related this to end-of year undepreciated "plant in service." The results are as follows:

Year	Plant in Service End of Year	Total Operating Revenue	Total Operating Expenses	Net Income	Ratio Net Income to Plant in Service
1946 Actual	\$3,409,521	\$1,413,641	\$1,236,443	\$177,198	5.20%
1947 Estimated	4,500,000	1,591,010 ^a	1,479,020	111,990	2.49 ^a
1947 Adjusted Estimate ^c	4,500,000	1,638,510 ^a	1,560,458	78,052	1.73 ^a
1947 Estimated	4,500,000	1,894,855 ^b	1,654,672	240,183	5.33 ^b
1948 Estimated	5,600,000	2,074,700 ^b	1,768,880	305,820	5.46 ^b
1949 Estimated	6,600,000	2,256,200 ^b	1,900,162	356,038	5.39 ^b
1950 Estimated	7,000,000	2,332,700 ^b	1,985,041	347,659	4.97 ^b

a At present rates

b At rates proposed by Company

c Revenues adjusted for effect of Bell System strike; expenses adjusted to current wage levels and for additional employees.

In Exhibit 16 the Company related the net income estimated for the years 1947, 1948, 1949, and 1950 under the proposed rates to forecasted end-of year telephone plant and working capital less depreciation and amortization reserve balances.

The results by this method are as follows:

Year	Total Plant in Service and Working Capital Less Dep'n. and Amort. Reserves (End of Year)	Estimated Net Income	Ratio - Net Income to Net Plant and Working Capital
1947 Estimated	\$4,120,000	\$240,183	5.83%
1948 Estimated	5,190,000	305,820	5.89
1949 Estimated	6,110,000	356,038	5.83
1950 Estimated	6,373,000	347,659	5.45

Neither of these presentations corresponds to the customary determination of rate of return upon an average rate base. It is apparent that the Company's "plant in service" figures as of December 31, 1947 and December 31, 1948 include substantial sums for construction work in progress which will not be placed in operation until a later date. It was testified that no interest during construction is included in the net additions for 1947. The amounts included for materials and supplies are in part attributed to the construction program.

The revenue estimates were prepared on a per station basis. Local service revenue estimated for 1947 amounts to \$32.68 per station under present rates and to \$43 per station under the Company's proposed rates. This latter amount has been used by the Company in projecting local service revenue under proposed rates for the years 1948 through 1950. Toll service revenue estimated for 1947, adjusted for the

effect of the Bell System telephone strike, amounts to \$35.50 per station. The Company has estimated toll service revenue at \$31.80 per station for the year 1948, \$28 per station for the year 1949, and \$24 per station for 1950. The Company's estimate represents a decrease in toll revenue per station compared with 1947 of \$3.70 or 10.4% for 1948, \$7.50 or 21.1% for 1949, and \$11.50 or 32.4% for 1950. Experience to date shows an increasing trend of toll revenue per station. Toll revenue estimated for the year 1947 does not reflect the effect on the Company of increased toll settlement payments on joint business handled with The Pacific Telephone and Telegraph Company, under the higher toll rates authorized by this Commission in its Decision No. 40437, dated June 24, 1947 and in its Decision No. 40655, dated August 26, 1947 (App. No. 28211). The Company's witness stated that in his opinion this increased revenue would not be large, though he admitted he had made no study of the matter.

Expenses estimated by the Company reflect savings in traffic expenses in the years 1948 through 1950 due to conversion of two exchanges to dial operation. Depreciation expenses are computed on a straight line basis and for the year 1946 amounted to 3.8% of the depreciable plant. Witness for the Company testified that he considers the reserve for depreciation and rates used for computing the depreciation expense to be adequate.

In order to obtain the amount of additional revenue which the Company states that it needs, it proposes to make effective rates as set forth in Exhibit 19.

The principal changes in rates may be summarized as follows:

<u>Item</u>	<u>Estimated Annual Amount</u>
1. Increase rates for individual and party-line service in all exchanges, eliminate block and zone rates and expand base rate areas	\$185,014
2. Increase rates for PBX trunks, stations, and switchboards	23,450
3. Increase service connection and move and change charges	12,888
4. Increase vacation rates to 50% of the regular fixed monthly rate	945
5. Increase the monthly guarantee on semipublic service	3,010
6. Eliminate discounts for prompt payment of bills	27,360
7. Decrease the initial period on toll rates from five to three minutes and increase minimum rate from five to ten cents	3,267
Total	\$255,934

At the hearing held on October 30, 1947, the City Attorney of the City of San Fernando, who had been authorized to speak for his city as well as for the Cities of Sierra Madre and Monrovia, requested a continuance of the proceeding of from 60 to 90 days. The cities did not oppose the granting of an interim rate increase if found justified, provided they were given an opportunity to further cross-examine and present evidence at a later date. The record shows there was extensive cross-examination of the company's witnesses conducted by the Commission's staff and, to a limited extent, by other appearances.

The Company is faced with an unprecedented construction program which it estimates will increase its investment during the next several years in excess of 50% over the present book amounts. This program is required to improve service and to provide telephones to the more than 12,000 waiting applicants. Included in the Company's construction budget, set forth in Exhibit 14, are amounts for additional facilities including the conversion to dial operation of the Monrovia and the San Fernando exchanges. This construction program will necessitate the securing of additional capital on the part of the Company.

The Commission, not only through this proceeding but likewise through its every-day work in handling informal complaints relative to the character of service furnished as well as to applications for new telephones, is quite fully cognizant of the Company's need to proceed as expeditiously as possible with the construction program that it has here presented.

Because of the decline in earnings in the telephone department, coupled with the necessity of raising comparatively large amounts of new capital in order to carry out the Company's construction and betterment program, it appears that some interim relief, in the way of increased rates, is justified, based upon the present showing, pending final determination in the matter.

An analysis of the record indicates that the earning position of the Company is more favorable than is shown by the Company's estimates. The increase of some \$105,000, found justified in the Order that follows, provides earnings that should afford substantial relief in the immediate future.

In reference to the rates, it should be observed that full consideration has been given to the Company's evidence as to the lack of uniformity of certain exchange rates and, accordingly, the order provides for increases of varying amounts and percentages as between the different exchanges with no increases or with decreases in some instances where such action is proposed by the Company or appears to be justified.

The basic rates for business service are increased in amounts up to \$1.50 per month and the residence rates, up to 50 cents per month, with no increase being made in the rates for four-party local residence service. The rates for suburban service are adjusted to provide for the elimination of zone service.

Increases in service connection charges are authorized to provide a charge of \$6 for the installation of a business station, \$5 for a residence station, and \$2.50 for an extension station and for a move or change. Extension station rates are made uniform at \$1.25 for business and \$1 for residence service, and P.B.X. station rates are brought into substantial uniformity. Rates for P.B.X. switchboards are established at a uniform level and rates for P.B.X. trunks are established at a uniform level \$2 above the rate for individual line business service.

The discount allowed for prompt payment of bills is authorized to be discontinued and the rate for residence vacation service is increased from \$1 per month to 50% of the fixed exchange charges. Toll rates are made uniform with those previously authorized for The Pacific Telephone and Telegraph Company.

The Company, in cooperation with connecting companies, furnishes foreign exchange service. As an example, San Fernando exchange service is furnished within the Van Nuys exchange of The Pacific Telephone and Telegraph Company at charges based upon rates for service within the San Fernando exchange, plus suburban mileage charges within the San Fernando exchange, plus foreign exchange mileage charges within the Van Nuys exchange. The rates in the preceding example are filed by the Pacific Company. Inasmuch as the Commission is authorizing increases in rates for applicant, it follows that affected foreign exchange rates of connecting companies should be consistent. Therefore, such connecting companies should request authority

to make the necessary tariff filings to reflect the increases herein authorized in the serving exchanges.

It should be understood that inasmuch as this is an interim order it may be expected that the whole matter will be gone into more fully at a subsequent hearing, and the different parties may want to present additional evidence as well as to cross-examine more fully on that which has already been presented. Accordingly, all figures herein used may be considered tentative and subject to revision in the final order at the time the matter is submitted for decision.

The following form of Order is recommended:

INTERIM ORDER

Request having been made by the California Water & Telephone Company for an interim order authorizing increases in telephone rates and charges, the Commission hereby finds as a fact that the increases in telephone rates and charges hereinafter authorized are justified on an interim basis pending further Commission order, therefore,

IT IS HEREBY ORDERED as follows:

1. Applicant is authorized to file and publish in accordance with General Order No. 96, the rates, conditions, and rules and regulations set forth in Exhibit 19, modified in accordance with Exhibit A attached hereto.
2. Applicant is authorized and directed to file and publish the base rate and exchange area maps set forth in Exhibit 23.
3. Applicant is authorized to cancel rates for ten-party service in Zone 1A of the San Fernando exchange.
4. Applicant is authorized, on not less than one (1) day's notice to the Commission and to the public, to make said rates, conditions, and rules and regulations effective by billing periods on and after December 20, 1947 for bills covering service furnished on and after December 20, 1947, except rates and conditions applicable to message toll telephone service, service connections charges, and move and change charges which may be made effective on December 20, 1947.

EXHIBIT A

Schedule No. A-1

INDIVIDUAL LINE AND PARTY LINE SERVICE

<u>RATES</u>	<u>Rate per Month</u>					
	<u>Business Service</u>			<u>Residence Service</u>		
	<u>Indi- vidual Line</u>	<u>Two- Party Line</u>	<u>Four Party Line</u>	<u>Indi- vidual Line</u>	<u>Two- Party Line</u>	<u>Four- Party Line</u>
Each Primary Desk or Hand Set Station:						
<u>Exchange</u>						
Banning-Beaumont	\$4.25	\$4.00	\$3.75	\$3.25	\$ -	\$2.75
Desert Hot Springs	5.00	4.25	-	3.75	-	2.75
Elsinore	4.00	3.50	3.25	3.00	-	2.50
Hemet-San Jacinto	4.25	4.00	3.75	3.25	-	2.50
Idyllwild	5.00	4.25	-	3.75	-	2.75
Loma Linda	4.00	3.50	-	3.00	-	2.00
Monrovia - Extended	5.75	-	-	3.50	3.25	-
- Local	4.50	4.00	3.75	3.00	-	2.00
Moreno	4.25	3.75	-	3.25	-	2.50
Murrieta	4.00	3.50	3.25	3.00	-	2.50
Palm Springs	5.50	4.75	4.50	4.00	3.25	2.75
Perris	4.00	3.50	3.25	3.00	-	2.50
Redlands-Yucaipa	5.00	4.50	4.25	3.75	3.25	2.25
San Fernando - Extended	5.75	-	-	3.75	3.25	-
- Local	4.50	4.00	3.75	3.25	3.00	2.50
Sierra Madre - Extended	7.50	-	-	3.75	3.50	-
- Local	4.25	3.75	-	3.25	2.75	2.25
Temecula	4.00	3.50	3.25	3.00	-	2.50
Twenty-nine Palms	5.00	4.25	3.75	3.75	-	3.00

	<u>Business</u>	<u>Residence</u>
Each extension desk or hand set station - rate per month	\$ 1.25	\$ 1.00
Each wall set station - desk set rate less \$0.25 per month.		

CONDITIONS

Add to Condition 1:

Rates for service, other than extended service, comprehend local service, without additional charge, to all stations receiving service from the exchange from which the primary station is served.

Revise Condition 3 as follows:

Service under this schedule will be provided outside the base rate area and within the exchange area at the above rates plus mileage rates as set forth in Schedule No. A-4. All services listed may be furnished from any central office within the exchange at the discretion of the Company.

EXHIBIT A

Schedule No. A-3

SEMI-PUBLIC COIN-BOX SERVICE

RATES

(1) Each primary wall set station:

<u>Exchange</u>	<u>Minimum Charge Per Day</u>	<u>Exchange</u>	<u>Minimum Charge Per Day</u>
Banning-Beaumont	15¢	Murrieta	15¢
Desert Hot Springs	15	Palm Springs	15
Elsinore	15	Perris	15
Hemet-San Jacinto	15	Redlands-Yucaipa	15
Idyllwild	15	San Fernando	15
Loma Linda	15	Sierra Madre	15
Monrovia	15	Temecula	15
Moreno	15	Twenty-nine Palms	15

Each wall set coin-box installation equipped with a combination transmitter and receiver will be furnished at the wall set rate.

Each desk or hand set station - wall set station rate plus 25¢ per month.

Extension station rate:

	<u>Rate per Month</u>
Each extension desk or hand station without coin box	\$ 1.25
Each extension wall set station without coin box - desk set rate less 25¢ per month.	

(2) Message Rate:

Each exchange message - 5¢

CONDITIONS

Add to Condition 1:

Semipublic coin-box service may be furnished from any central office within the exchange at the discretion of the company.

Add to Condition 2:

Extension stations at the above rates are installed on the premises on which the associated primary station is located.

Revise Condition 3 as follows:

Service under this schedule will be furnished upon an applicant's request in stores, shops, restaurants, theaters, apartment houses, hotels, automobile courts, automobile trailer camps or other semipublic locations where there is a collective use of the service by a number of guests, members, employees or occupants or where there is a requirement for a combination of transient and subscriber usage.

EXHIBIT A

Schedule No. A-5

SUBURBAN SERVICE

RATES

Each Primary Desk or Hand Set Station:	Rate per Month	
	<u>Business Service</u>	<u>Residence Service</u>
<u>Exchange</u>		
Banning-Beaumont	\$ 4.25	\$ 3.00
Desert Hot Springs	4.25	3.25
Elsinore	3.75	2.75
Hemet-San Jacinto	4.25	2.75
Idyllwild	4.25	3.25
Monrovia	3.75	2.75
Moreno	3.75	2.75
Murrieta	3.50	2.75
Palm Springs	4.75	3.50
Perris	3.75	2.75
Redlands-Yucaipa	4.25	2.75
San Fernando	3.75	2.75
Temecula	3.50	2.75
Twenty-nine Palms	4.25	3.25
Each extension desk or hand set station	1.25	1.00

Each wall set station - desk set rate less \$0.25 per month.

CONDITIONS

Add to Condition 3:

Extension stations at the above rates are installed on the premises on which the associated primary station is located..

EXHIBIT A

Schedule No. A-7

PRIVATE BRANCH EXCHANGE SERVICE (Continued)

RATE (Continued)

(2) Trunk Lines	<u>Rate per Month</u> <u>Each Trunk</u>
<u>Exchange</u>	
Local Service:	
Banning-Beaumont	\$ 6.25
Desert Hot Springs	7.00
Elsinore	6.00
Hemet-San Jacinto	6.25
Idyllwild	7.00
Loma Linda	6.00
Monrovia	6.50
Moreno	6.25
Murrieta	6.00
Palm Springs	7.50
Ferris	6.00
Redlands-Yucaipa	7.00
San Fernando	6.50
Sierra Madre	6.25
Twenty-nine Palms	7.00
Extended Service:	
Monrovia	7.75
San Fernando	7.75
Sierra Madre	9.50

(3) Stations

	<u>Rate per Month</u>		
	<u>Comm'l.</u> <u>PBX</u>	<u>Hotel PBX</u>	
		<u>Not in</u> <u>Guest Room</u>	<u>In</u> <u>Guest Room</u>
Each Desk or Hand Set Station:			
Loma Linda	\$1.00	\$1.00	\$1.00
San Fernando	1.25	1.25	.75
Other exchanges listed	1.25	1.25	1.00

Each wall set station - desk set rate less \$0.25 per month.

EXHIBIT A

Schedule No. A-17

FOREIGN EXCHANGE LOCAL SERVICE

RATES

(1) Primary service

Revise rates for Palm Springs service in Desert Hot Springs as follows:

	<u>Per Month</u>
Individual line message rate business	200-\$15.50-5¢
First PBX trunk	300-\$22.50-5¢
Each additional trunk	\$ 7.50

Revise rates for Redlands service in Loma Linda as follows:

Suburban line flat rate residence \$ 2.75

CONDITIONS

Add to Condition 2:

Pasadena foreign exchange service in Sierra Madre will be furnished from the Sycamore District Area of the Pasadena Exchange, and the interexchange rates applicable in connection with toll service over Pasadena foreign exchange lines will be in accordance with the interexchange tariff provisions of the Sycamore District Area of the Pasadena Exchange.

Revise Condition 4 as follows:

Suburban mileage rates as shown above are applicable to the airline distance measured from the point on the common boundary determined in Condition 3 above, to the nearest point on the nearest base rate area boundary of the foreign exchange,

Revise Condition 6.b. as follows:

Subscribers to residence foreign exchange service are not required to take service of the local exchange on the same premises, except where the foreign exchange service is located beyond the first half mile zone as follows:

Add to Condition 8:

Foreign exchange trunk service will not be provided in connection with P.B.X. switchboards located in hotels, apartment houses or clubs, except in connection with Palm Springs service in Desert Hot Springs.

EXHIBIT A

Schedule No. A-17

LOS ANGELES FOREIGN EXCHANGE SERVICE

CONDITIONS

Revise Condition 3 as follows:

3. (a) The foreign exchange mileage rate as shown in Rate 3 above is applicable to the interexchange rate mileage between the following local exchanges and the designated exchanges or district areas:

<u>Local Exchange</u>	<u>Designated Exchange or District Area</u>
San Fernando	North Hollywood Exchange
Monrovia	Sycamore Dist. Area-Pasadena Exchange
Moreno	Mutual Dist. Area-Los Angeles Exchange

(b) The foreign exchange mileage rate as shown in Rate 3 above for Sierra Madre is applicable to the airline distance measured from the subscriber's primary station, or PBX switchboard to the nearest point on the common boundary of the Sierra Madre and Pasadena exchanges.

EXHIBIT A

Schedule No. B-1

MESSAGE TOLL TELEPHONE SERVICE

APPLICABILITY

Applicable to interexchange message toll telephone service furnished wholly over the lines of the Company.

TERRITORY

Exchanges served.

RATE

(1) Service between points on the lines of the Company.

<u>Route</u>	<u>Station-to-Station</u> <u>Day, Night or Sunday</u>		<u>Person-to-Person</u> <u>Day, Night or Sunday</u>	
	<u>Initial</u>	<u>Overtime</u>	<u>Initial</u>	<u>Overtime</u>
Monrovia - Sierra Madre	\$.05-3 mins.	\$.05-3 mins.	Not Quoted	
Redlands-Yucaipa - Loma Linda	.05-3 "	.05-3 "	"	"
Desert Hot Springs - Palm Springs	.10-3 "	.05-2 "	"	"
Idyllwild - Hemet-San Jacinto:				
Sent paid	.15-3 "	.05-1 min.	\$.25-3 mins.	\$.05-1 min.
Sent collect	.25-3 "	.05-1 "	.25-3 "	.05-1 "

(2) Service between points reached over lines of connecting companies.

Message toll telephone service between points served by the Company and points reached over the lines of connecting companies is furnished at through rates (direct rates) of the connecting companies.

EXHIBIT A

M I S C E L L A N E O U S

SCHEDULE No. A-4 (Pg. 9, Exhibit 19)

Revise paragraph under Rate 1 as follows:

The rates under 1 above apply to the airline distance measured from the subscribers primary station or private branch exchange switchboard to the nearest point on the boundary of the nearest base rate area..

DEFINITIONS (Pg. 42 Exhibit 19)

Add as Definition 9:

Date of Presentation.

The date upon which a bill or notice is mailed, postage prepaid, in a sealed envelope properly addressed to the subscriber, or the date when that bill or notice is presented to the subscriber..

RULE AND REGULATION No. 8 (Pg. 68, Exhibit 19)

Add a second paragraph under Category VIII as follows:

Those who discontinued residence service upon entering the armed forces of the United States or the merchant marine and who apply for service within twenty-four months after being honorably separated or placed on terminal leave from the armed forces or the merchant marine. The applicant for service must certify to these facts in writing.

RULE AND REGULATION No. 14 (Pg. 77, Exhibit 19)

Revise "Private Branch Exchange service, including intercommunicating systems, each trunk line - - - 1 listing," as follows:

Private Branch Exchange service, including intercommunicating systems, each system - - - 1 listing..

Revise fifth paragraph as follows:

Residence listings consist of a name, an abbreviation indicating "residence", the address of the premises to which service is furnished and the telephone number.

EM #3
A-28693

IT IS FURTHER ORDERED that in all other respects the interim request is hereby denied without prejudice.

The foregoing Interim Opinion and Order are hereby approved and ordered filed as the Interim Opinion and Order of the Public Utilities Commission of the State of California.

This Interim Order shall become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 25th day of November, 1947.

Harold P. Kula
Justice F. Cannon
Earl Russell
R. J. Anderson
Wentworth Potter
Commissioners.