

ORIGINAL

Decision No. 42701

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of
GILROY TELEPHONE COMPANY for an order
authorizing changes in telephone
directory advertising rates, and
conditions appertaining thereto.

Application No. 30135

OPINION AND ORDER

Gilroy Telephone Company, applicant in this proceeding, requests authority to make effective a new schedule of telephone directory advertising rates and conditions beginning with the next issue of the directory scheduled on or about September 1, 1949, and to cancel its presently effective telephone directory advertising schedule.

Applicant operates a telephone system serving the city of Gilroy and surrounding territory located within Santa Clara County. In connection with this operation, a telephone directory is issued which includes display and column advertising in the classified directory section. For many years past, this directory has been furnished to the Gilroy Telephone Company by a local publisher with the publisher retaining all advertising revenue. Applicant now proposes to issue its own directory beginning on or about September 1, 1949.

Prior to December 16, 1948, the filed tariffs of the applicant included rates for display advertising and bold type listings in the alphabetical section and display advertising on the printed back covers of the directory. Effective December 16, 1948, rates for these classifications of advertising were cancelled under authority of Commission Resolution No. T-1646, leaving only the rates for advertising in the classified section presently effective.

Applicant alleges that its present rates for directory advertising service, which are on an annual basis, and which became

effective on April 10, 1928, are too low and considerably out of line with those being applied to similar and comparable directory advertising of other telephone companies. Accordingly, applicant proposes to increase the charges for advertisements by placing the rates on a monthly basis, offer a greater variety of advertising classifications, and cancel its present advertising schedule.

Applicant, in Exhibits B and C attached to the application, has shown present and proposed advertising rates.^{1/} Applicant states that the present rates for directory advertising, which were established in 1948, were for a then existing directory circulation of 1,250 copies per issue, while, at the present time, the circulation exceeds 2,000 copies per issue.

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	Present Rate Per Year	Proposed Rate Per Month
(1) Display Advertisements:		
One-quarter column	\$ 2.50	\$2.25
One-half column	5.00	4.50
Two one-half columns	10.00	9.00
(2) Column Advertising:		
Each Informational Listing	-	1.50
Each Trade Mark Heading	-	2.00
Each Trade Mark or Trade Name	-	
Cross Reference: Heading	-	.65
Listing	-	.65
Each Trade Name Listing	-	.60
Listings:		
Each Bold Type Listing	.50	.50
Each Regular Type Listing	.50	.25
Each Alternate Call Number or		
Cross Reference Listing	-	.25
Additional Line of Information	.50	.25

The rates requested, shown in Exhibit C attached to the application are estimated to produce annual gross revenues of about \$3,000 with an annual expense of issuing the directory, of about \$2,300, leaving an estimated net revenue of \$700 on an annual basis.

Gilroy Telephone Company having made application for authority to make effective a new schedule of telephone directory advertising rates and conditions, the 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 such increases as will result from the directory advertising rates herein ordered are justified; therefore,

IT IS HEREBY ORDERED as follows:

1. Gilroy Telephone Company may make effective beginning with the next issue of its telephone directory scheduled on or about September 1, 1949, the rates and conditions as shown in Exhibit C attached to the application.
2. Necessary tariff filings in accordance with General Order No. 96 shall be made with the Commission not later than fifteen (15) days immediately preceding their effective date.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 12th day of April, 1949.

R. T. Anderson
Justus F. Galloway
Harold F. Hale

Samuel D. Potter
Commissioners.