

Decision No. 42828**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of OXNARD HOME TELEPHONE COMPANY for an order authorizing changes in telephone directory advertising rates and conditions appertain- ing thereto.	}	Application No. 30191
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OPINION AND ORDER

Oxnard Home Telephone Company, applicant in this proceeding, requests authority to increase its telephone directory advertising rates and to modify conditions, effective with the next issue of the directory, scheduled on or about July 1, 1949, and to cancel its present effective telephone directory advertising schedule.

Applicant operates a telephone system serving the city of Oxnard and surrounding territory located in Ventura County, California. In connection with this operation, a telephone directory is issued which includes the display advertisements on the cover, in the alphabetical section and in the classified section, in addition to markers and tags and the telephone numbers of subscribers. This directory has been issued in the past at 12-month intervals.

Applicant, however, proposes to reduce the time of the current directory issued October 1, 1948, to nine months due to the conversion to dial equipment in Oxnard on July 1, 1949, which will require that a great many of Oxnard exchange telephone numbers be changed as of that date. In order to coordinate the applicant's directory with The Pacific Telephone and Telegraph Company's Ventura County directory, the July, 1949 Oxnard directory will have a life of nine months while subsequent issues will be on a 12-month basis.

The present rates for directory advertising were established on July 18, 1942, since which time the number of stations served has practically doubled. Applicant alleges that since the time the rates were established, the cost has increased in all the operations of the company and especially in connection with publishing its directory. Applicant further alleges that its present rates for directory advertising service are too low and considerably out of line with rates being applied to similar and comparable telephone directory advertising of other companies and with other advertising mediums. Accordingly, applicant proposes to make certain changes in the directory, increase the charges for advertisements, and to cancel its present advertising schedule. Applicant also proposes to transfer all directory advertising from the alphabetical section of its directory to the classified section and to discontinue tags, markers, and all advertising on the cover pages. It is expected that these modifications will facilitate the use of the directory by telephone users.

The rates proposed are on the basis of a charge of \$3.50 for a one-quarter column. Listings will be 35 cents, or 75 cents if in bold type. The schedule is in harmony with other schedules authorized for independent telephone companies

Under present directory advertising rates, the last directory had a total revenue on an annual basis of approximately \$17,000 with an expense of \$12,240, resulting in a net revenue of \$4,760 on an annual basis. The rates requested, as shown in Exhibit A attached to the application, are estimated to produce gross annual revenues of \$22,200 and the expense of publication is estimated to be \$17,760, resulting in an estimated net revenue of \$4,440 on an annual basis. These estimated figures are applicable to the first directory issued under the new rates. Applicant states that it expects subsequent issues to develop increased net revenues due to the elimination of the extraordinary expense of changing to the proposed classifications and the large number of changes required, coincident with the dial conversion, in the alphabetical and classified sections of the directory.

Oxnard Home Telephone Company, having made application for authority to increase rates and modify conditions relating to its telephone directory advertising service, 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. Oxnard Home Telephone Company may make effective, beginning with the next issue of its telephone directory scheduled to be published on or about July 1, 1949, 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 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 3rd day of May, 1949.

A. J. Morrison
Justice J. Galloway
Harold P. Hills
Frederick P. Potter
Commissioners.