

ORIGINAL

Decision No. 42619

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

<p>In the Matter of the Application of LOS GATOS TELEPHONE COMPANY, a corporation, for an order authorizing increases in telephone directory classified advertising rates in its Morgan Hill Telephone Exchange directory</p>	
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Application No. 30764

OPINION AND ORDER

Los Gatos Telephone Company, applicant in this proceeding, requests authority to make effective a new schedule of directory advertising rates and modify conditions applicable to its Morgan Hill exchange directory beginning with the next regular issue of the directory scheduled on or about March 1, 1950, and to cancel its presently effective Morgan Hill telephone directory advertising schedule.

The applicant operates telephone systems serving the City of Morgan Hill and surrounding territory in Santa Clara County, and the City of Los Gatos and surrounding territory in Santa Clara and Santa Cruz Counties. In connection with its operations, applicant issues a telephone directory for the Morgan Hill exchange which includes display advertisements on the cover and in the alphabetical section, in addition to the telephone numbers of subscribers.

The applicant proposes to transfer all advertising matter from the alphabetical section of its Morgan Hill 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 users.

The rates proposed are on the basis of a monthly charge of \$1.25 for a one-quarter column display advertisement and a monthly charge of 25 cents for a regular type listing or 35 cents for a bold

type listing. The rates are comparable with the rate levels of other directories having similar circulation and offering similar advertising service.

Under present directory advertising rates, directory advertising revenues were \$69 and expenses were \$111 for the calendar year 1949. The rates requested, shown in "Exhibit B" attached to the application, are estimated to produce gross annual revenues of \$956 and the expense of publication is estimated to be \$430 resulting in an estimated net revenue of \$526 on an annual basis.

The applicant's present Morgan Hill directory was issued January 1, 1949 on a calendar year basis and all advertising was paid for a year in advance. Coincidentally with the dial conversion of the Morgan Hill exchange, planned for December 17, 1949, applicant will discontinue its present directory and will refund to advertisers the unused portion of advertising charges. A temporary alphabetical directory without advertising will be furnished subscribers for use during the period between December 17, 1949 and about March 1, 1950. The applicant desires to coordinate its directory with the Santa Clara County directory of The Pacific Telephone and Telegraph Company; however, the next Santa Clara County directory is scheduled for publication on April 16, 1950. To coordinate its directory, applicant requests authority to issue its first Morgan Hill directory containing classified advertising with an in-service life of 10½ months instead of nine months shown in the proposed tariff schedule. Both directories will then be due for publication January 16, 1951.

A customer directory advertising contract form used by applicant in its Los Gatos exchange is shown in "Exhibit C" attached to the application. The applicant requests authority to use the contract form in its Morgan Hill exchange.

Los Gatos Telephone Company having made application for authority to increase rates and modify conditions applicable to its Morgan Hill telephone directory advertising service, the Public Utilities 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,

IT IS HEREBY FOUND AS A FACT, that the increases in directory advertising rates herein ordered are justified, therefore,

IT IS HEREBY ORDERED that applicant is authorized to file in quadruplicate with this Commission after the effective date of this order, in conformity with the Commission's General Order No. 96, the schedule of rates and conditions shown in "Exhibit B" and contract form shown in "Exhibit C" attached to the application and to issue its next Morgan Hill directory with an in-service life of ten and one-half (10½) months, and after not less than five (5) days' notice to the Commission and the public, to make said rates effective for service in the telephone directory scheduled to be published on or about March 1, 1950.

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

Dated at San Francisco, California, this 13th day of December, 1949.

R. E. Dineen
Justice F. Crocker
Dept. Finance
Harold H. Hula
Francis H. Patten
Commissioners.