

Decision No. 43571**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 Associated Telephone Company, Ltd.,
 a corporation, for authority to in-
 crease rates and charges applicable
 to the sale of advertising in the
 telephone directory for its Santa
 Paula exchange.

Application No. 30860

OPINION AND ORDER

Associated Telephone Company, a corporation, by the above-entitled application filed December 19, 1949, requests authority to make effective a new schedule of directory advertising rates and modified conditions applicable to its Santa Paula exchange directory, located in Ventura County, beginning with the next regular issue of the directory, scheduled on or about March 26, 1950, and to cancel its presently effective Santa Paula telephone directory advertising schedule.

The applicant operates telephone systems serving Santa Barbara County and portions of Los Angeles, San Bernardino, Orange, Ventura, Fresno, and Tulare Counties.

Santa Paula exchange, which serves the city of Santa Paula and surrounding territory, was acquired by the applicant pursuant to Decision No: 43287, dated September 13, 1949.

Attached to the application are five exhibits lettered A to E, inclusive, setting forth, respectively, a financial statement as of October 31, 1949; a comparison of present and proposed directory advertising rates for the Santa Paula exchange; the proposed schedule covering telephone directory advertising service; characteristics of revised

advertising rate schedule; and revenue results of increasing directory advertising rates based on items in October, 1948, Santa Paula Directory at time of publication.

The applicant states that the former owner published periodically a classified telephone directory which contained, in addition to the classified section, display advertisements on the cover and in the alphabetical section, as well as separate insert tags and markers. The applicant proposes to revise the form of the present directory by confining all advertising matter to the classified section. This will conform to good directory advertising practice as followed in all other directories issued by applicant.

The rates proposed by applicant are based on the monthly charge for an informational inch, and have been developed in accordance with the applicable principles outlined in Exhibit D. The rates requested, as shown in Exhibit B, are the same as those authorized for similar sized exchanges of applicant by Decision No. 43091, dated July 6, 1949.

It is estimated by applicant that the annual revenue under present rates would be \$7,307.16, and \$13,449 under proposed rates, an increase of \$6,141.84, or 84.1%. Including the estimated effect of regrading, the revenue under proposed rates would be \$8,512.80, an increase of \$1,205.64, or 16.5%. Of this amount, the company would retain \$1,005.48, or 83.4%, and the contractor's compensation for selling the advertising and manufacturing the directories would be \$200.16, or 16.6%.

The present directory advertising rates for the Santa Paula exchange have been in effect since 1931. The evidence shows that since that time, the circulation of the directories has increased substantially, the stations served by the Santa Paula exchange having increased from 1,484 to 2,735 in the last ten years. This increase in the volume

of circulation has resulted in substantial increases in the value of directory advertising to the various advertisers and increased costs of publication to Santa Paula. Further cost increases have resulted from the rising costs of labor and materials.

The Associated Telephone Company, Ltd. having applied to this Commission for an order authorizing increases in directory advertising rates applicable to its Santa Paula exchange, 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,

IT IS HEREBY FOUND AS A FACT that the increases in directory advertising rates authorized herein 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 C attached to the application, 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 26, 1950.

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

Dated at San Francisco, California, this 4th day of January, 1950.

A. E. Johnson
Justice J. Cooney
James H. Lowell
Harold Hale
Russell Pottel
Commissioners.