

ORIGINALDecision No. 46349

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
LOS GATOS TELEPHONE COMPANY for)	
authority to increase rates for)	
telephone directory advertising)	Application No. 32805
service in its Los Gatos and Morgan)	
Hill Exchanges.)	

OPINION AND ORDER

Los Gatos Telephone Company, a California corporation, applicant in this proceeding, requests authority under Section 63 of the Public Utilities Act of the State of California to make effective the increased schedule of rates for directory advertising service and the consolidated tariff schedule, set forth in Exhibit "B" attached to its application, effective with the next directory issues scheduled on or about January 15, 1952.

The applicant owns and operates a telephone system serving the communities of Los Gatos, and Morgan Hill and surrounding territory located in Santa Clara County, and Novato, Marin County, California. Applicant serves approximately 5,128 stations through a dial common battery central office, located in Los Gatos, and approximately 720 stations through a dial common battery central office, located in Morgan Hill. The Novato exchange is not involved in this application. Toll service is furnished through connection with the lines of The Pacific Telephone and Telegraph Company.

The present schedule for Los Gatos directory advertising service became effective April 1, 1946, under Decision No. 38675. Since the effective date of this schedule the number of subscriber stations has increased to 5,128. Applicant now requests authority

to make effective the rates generally applicable in exchanges having from 5,001 to 10,000 stations.

The proposed rates for Los Gatos directory advertising service are estimated to increase gross revenues from \$10,924 to \$18,240 on an annual basis. Expenses are estimated to increase from \$7,379 to \$13,556, which will result in an increase in net revenues from \$3,545 to \$4,884, or \$1,339 on an annual basis.

The present schedule for Morgan Hill directory advertising service, which became effective on April 1, 1950, under Decision No. 43619, sets forth rates generally applicable in exchanges having from 501 to 1,000 stations. Since the effective date of this

1/ A comparison of present and proposed rates for directory advertising service for the Los Gatos exchange is as follows:

	Rate per Month Los Gatos Exchange	
	<u>Present</u>	<u>Proposed</u>
Display Advertisements:		
One-quarter Column	\$ 3.00	\$ 3.50
One-half Column	5.25	7.00
Two one-half Columns	9.25	14.00
Two Columns	16.00	Not Offered.
Column Advertising:		
Each Informational Listing	2.00	2.00
Each Trade Mark Heading	2.50	3.00
Each Trade Mark or Trade Name Cross-reference Heading	1.00	1.25
Each Trade Mark or Trade Name Cross-reference Listing	1.00	1.25
Each Trade Name Listing	.75	1.00
Listings:		
Each Bold Type Listing	.50	.75
Each Regular Type Listing	.25	.35
Each Alternate Call Number or Cross-reference Listing	.25	.35
Additional Lines of Information:		
Each line or fraction thereof	.25	.35

schedule, the number of subscriber stations has increased to 720 and there are 182 unfilled orders. Since applicant estimates that present held orders and additional new orders connected during the life of the January, 1952 directory would increase the number of stations in the Morgan Hill exchange to 1,000 stations, or more, applicant now requests authority for rates generally applicable in exchanges having from 1,001 to 1,500 stations. The 720 stations now served from the Morgan Hill exchange are less than the number of stations generally required for the rates requested; therefore, this portion of the application will be denied.

The applicant proposes to consolidate the schedules for Los Gatos and Morgan Hill and revise the conditions, in accordance with the recent practices in effect for other independent telephone companies in California. It is also proposed to extend the normal life of the Morgan Hill directory from nine to twelve months.

Los Gatos Telephone Company, having made application for authority to increase rates for directory advertising service under a consolidated tariff schedule for Los Gatos and Morgan Hill, the Commission having considered applicant's request, and being of the opinion that a public hearing is not required and that this application should be granted in part, subject to certain conditions, and denied in part;

IT IS HEREBY FOUND AS A FACT that the increases in rates authorized herein for Los Gatos directory advertising service, and the conditions authorized herein applicable to directory advertising service for both the Los Gatos and the Morgan Hill directories, are justified and to the extent and in so far as present respective rates and conditions differ from those authorized in this decision, they are unjust and unreasonable; 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 General Order No. 96, the rates per month for Los Gatos and the conditions for both the Los Gatos and the Morgan Hill directories, as shown in Exhibit "E" attached to the application and on not less than five (5) days' notice to the Commission and the public, to make said rates and conditions effective for advertising service beginning with the directories scheduled to be published on or about January 15, 1952; and,

IT IS HEREBY FURTHER ORDERED that that portion of the application concerning increased rates per month as shown in column headed "Morgan Hill" in Exhibit "E" attached to the application is denied without prejudice.

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

Dated at San Francisco, California, this 30th day of October, 1951.

R. J. [Signature]
 President.

Justice J. [Signature]

Harold A. [Signature]

[Signature]

[Signature]
 Commissioners.