

**ORIGINAL**Decision No. 53842

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 CALIFORNIA WATER & TELEPHONE COMPANY )  
 for authority to file a new basic ) Application No. 38351  
 tariff schedule for classified tele- )  
 phone directory advertising service. )

OPINION AND ORDER

California Water & Telephone Company, by the above-entitled application filed on August 21, 1956, seeks authority under Sections 454, 491 and 701 of the Public Utilities Code to file and make effective a new basic schedule for classified telephone directory advertising service. Applicant's proposed advertising rates are contained in Exhibit C of the application.

Applicant is a corporation organized under the laws of the State of California, engaged as a public utility in furnishing telephone service in portions of Los Angeles, Riverside and San Bernardino Counties, and in furnishing water service in portions of San Diego, Los Angeles and Monterey Counties.

Applicant periodically publishes eight classified telephone directories in conjunction with telephone service furnished in 16 exchanges. The exchanges included in each of the eight

directories, the number of company stations in each exchange as of July 31, 1956, and the present and company proposed rate group follow:

Classified Directory	Exchanges Served	Stations 7-31-56	Rate Group	
			Company Present	Company Proposed
Banning	Banning-Beaumont	4,353	B	C
Hemet	Elsinore	1,805	B	D
	Hemet-San Jacinto	4,741	B	D
	Idyllwild	500	B	D
	Moreno	1,456	B	D
	Murrieta	146	B	D
	Perris	1,178	B	D
	Temecula	51	B	D
Monrovia	Monrovia	16,513	E	F
Palm Springs	Desert Hot Springs	537	C	E
	Palm Springs	8,159		
Redlands	Redlands	15,441	E	F
San Fernando	San Fernando	40,325	F	I
Sierra Madre	Sierra Madre	8,633	D	E
Twentynine Palms	Joshua Tree	272	A	A
	Twentynine Palms	1,235	A	A

The present classified telephone directory advertising rates of applicant are set for six circulation groups as measured by the total number of company telephones in the exchange. Where two or more exchanges are served by a single classified directory, the number of company telephones in the larger or largest exchange determines the circulation. Applicant presently has no rates on file applicable to telephone advertising service in exchanges having company telephones of from 1,501 to 2,500 and from 20,001 to 30,000, nor in exchanges having in excess of 40,000 company telephones. Growth has been experienced and is anticipated in various of applicant's exchanges and for this reason applicant states it is essential that its tariff schedules provide for classified advertising rates applicable to exchanges of the sizes not presently included therein.

The rates proposed by the applicant are set for 12 circulation groups and are the same as those on file with this Commission

by substantially all other independent telephone companies in the state. Examples of certain present and company proposed monthly rates for directory advertising follow:

Number of Telephone Stations	Rate Group	Display Advertising				Column Advertising				
		Co.	Co.	Co.	Co.	Co.	Co.	Co.	Co.	
		Pres.	Prop.	Pres.	Prop.	Pres.	Prop.	Pres.	Prop.	
0-1,500	A	A	\$1.75	\$ 1.75	\$ 7.00	\$ 7.00	\$1.25	\$1.25	\$0.25	\$0.25
1,501-2,500	-	B	-	2.25	-	9.00	-	1.50	-	.25
2,501-4,500	B	C	3.00	3.00	12.00	12.00	1.75	1.75	.30	.30
4,501-7,500	C	D	3.50	3.50	14.00	14.00	2.00	2.00	.35	.35
7,501-12,500	D	E	4.50	4.50	18.00	18.00	3.00	3.00	.40	.40
12,501-20,000	E	F	5.25	5.25	21.00	21.00	3.50	3.50	.45	.45
20,001-30,000	-	G	-	6.00	-	24.00	-	4.00	-	.50
30,001-40,000	F	H	7.50	7.50	30.00	30.00	4.50	4.50	.55	.55
40,001-65,000	-	I	-	9.50	-	38.00	-	5.00	-	.60
65,001-90,000	-	J	-	11.00	-	44.00	-	5.50	-	.65
90,001-120,000	-	K	-	12.50	-	50.00	-	6.00	-	.70
120,001-155,000	-	L	-	14.00	-	56.00	-	6.50	-	.75

By virtue of telephone station growth since the present rate groups were established, the effect of applicant's proposed schedule is to increase the rates for directory advertising in the Hemet, Palm Springs and San Fernando directories commencing with the next issue of such directories scheduled on or about November 1, 1956, December 1, 1956, and March 15, 1957, respectively.<sup>1</sup> Applicant estimates that its annual revenues will increase by \$36,000 under its proposed schedule for the San Fernando directory before settlement with the directory publishing company and by \$15,000 after giving effect to such settlement.

As of June 30, 1956, applicant shows an investment in net plant of approximately \$50,500,000. It is apparent that the increase

<sup>1</sup> The reclassification of the Hemet directory to the higher rate group was authorized by Resolution No. T-3383 on August 7, 1956, while the reclassification of the Palm Springs directory to the higher rate group was authorized by Resolution No. T-3400 on August 21, 1956.

in revenues that would result from a granting of this application would have no appreciable effect on the rate of return of this applicant. However, any net revenue, after expenses, will reflect in the over-all net revenues of the applicant, which in the long run should result in lower exchange rates to the average subscriber.

The Commission has considered this matter and is of the opinion that a public hearing thereon is not necessary, and that the application should be granted as herein provided. Finding that the increases in rates and charges authorized herein are justified and that present rates, in so far as they differ from those herein prescribed, are, for future directories, 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, Schedule No. D-1, Classified Telephone Directory Advertising Service, as set forth in Exhibit C attached to the application, and, after not less than five days' notice to this Commission and to the public, to make said rates effective for future issues of its classified telephone directories.

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

Dated at San Francisco, California, this 1st day of OCTOBER, 1956.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
Commissioners