

Decision No. 5337

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of) the Kerman Telephone Company, a) corporation for an order authorizing) an increase in Telephone Directory) advertising rates.)	Application No. 38421
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OPINION AND ORDER

Kerman Telephone Company, by the above-entitled application filed on September 14, 1956, seeks authority under Sections 454 and 491 of the Public Utilities Code to file and make effective a new basic schedule for classified telephone directory advertising service in the December, 1956, and following issues of its telephone directory. Applicant's proposed advertising rates are set forth on Exhibit B attached to 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 its Kerman exchange which includes the towns of Kerman and Biola and surrounding territory in Fresno County.

In conjunction with telephone service furnished in its Kerman exchange, applicant periodically publishes one classified telephone directory. Applicant's present rates for directory advertising service are those generally applicable to exchanges of independent telephone companies in the state, serving up to 1,500 telephones. The Kerman exchange now serves in excess of 1,600 telephones. Because of this growth applicant desires to increase its advertising rates, commencing with the next issue of such directory scheduled on or about December 1, 1956, to the level generally applicable to exchanges of independent telephone companies serving

between 1,501 and 2,500 telephones. The basic schedule of advertising rates proposed by applicant in Exhibit B of the application consists of 14 circulation groups, as measured by the number of telephones served in the exchange. A comparison of present and company proposed monthly rates for directory advertising follows:

<u>Item</u>	<u>Rate Per Month</u>	
	<u>Present</u>	<u>Company Proposed</u>
Circulation Group	1	2
Number of Telephones	0 - 1,500	1,501 - 2,500
Regular Type Listing	\$0.25	\$0.25
Additional Line of Information	.25	.25
Alternate Call Number	.25	.25
Bold Type Listing	.40	.50
Trade Name Listing	.50	.60
Cross Reference Listing	.50	.65
Cross Reference Head	.50	.65
Informational Listing:		
1 inch	1.25	1.50
$\frac{1}{2}$ inch	.75	.90
$\frac{1}{2}$ inch	1.60	2.00
Trademark Heading	1.75	2.00
Display Advertising:		
$\frac{1}{2}$ Column	1.75	2.25
$\frac{2}{3}$ Column	3.50	4.50
Double $\frac{1}{2}$ Column	7.00	9.00

Applicant estimates¹ that its annual revenues will increase by \$724 under its proposed schedule of directory advertising rates before settlement with the directory publishing company and by \$254 after giving effect to such settlement. Based on 1955 operations, applicant estimates² that its proposed increase in rates for directory advertising would have but minor effect on its rate of return raising such return from 6.26 to 6.34 per cent on an average depreciated rate base of \$224,700.

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

¹ Exhibit C attached to the application.

² Exhibit D attached to the application.

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, changes in its Schedule No. D-1, Classified Telephone Directory Advertising Service, as set forth in Exhibit B attached to the application, and as discussed above, 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 directory.

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

Dated at San Francisco, California, this 16th day of October, 1956.

John E. Mitchell
President
Justin J. Casner
Paul Lutz
Walter J. Doyle
B. J. Kato
Commissioners