

Decision No. 5461S**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 THE PACIFIC TELEPHONE AND TELEGRAPH)
 COMPANY, a corporation, for authority)
 to file and make effective rates for)
 extended residence two-party line) Application No. 38796
 message rate service and withdraw the)
 offering of extended residence four-)
 party line flat rate service in the)
 Palo Alto exchange.)

OPINION AND ORDER

By the above-entitled application filed on February 5, 1957, The Pacific Telephone and Telegraph Company seeks authorization under Section 454 of the Public Utilities Code to (1) file and make effective rates for extended residence two-party line message rate service in the Palo Alto exchange as set forth on Exhibit A of the application, and (2) withdraw the offering of residence four-party line flat rate service in Palo Alto exchange and cancel and withdraw the rates applicable thereto coincident with the introduction of said residence two-party line message rate service.

In accordance with the option^{1/} permitted in ordering paragraph 6(b) of Decision No. 41416, dated April 6, 1948, in Application No. 28211, The Pacific Telephone and Telegraph Company is proceeding with its program for the introduction of residence two-party line message rate service in lieu of residence four-party line flat rate service in exchanges in the San Francisco-East Bay Los Angeles, and San Diego extended areas; and in Orange County.

^{1/} Ordering paragraph 6(b) of Decision No. 41416 states:
 "Semi-selective signaling may be installed on four-party lines in multi-office exchanges or within extended areas where applicant elects ultimately to provide only two-party service."

previously, by Decision No. 53245 dated June 19, 1956 in Application No. 38091, this Commission authorized The Pacific Telephone and Telegraph Company to file rates for residence two-party line message rate service in lieu of residence four-party line flat rate service on or before December 1, 1957 in seven exchanges in the San Francisco-East Bay extended area and in two exchanges in the Los Angeles extended area. Applicant now seeks authority to introduce residence two-party line message rate service in Palo Alto on or before December 1, 1957 at a monthly rate of \$3.00 for the first 60 message units and 4.4 cents for each message unit over the allowance of 60 and, coincident therewith, cancel the monthly rate of \$3.20 for residence four-party line flat rate service. Upon the withdrawal of residence four-party line flat rate service in Palo Alto, a subscriber may elect to take the new residence two-party line message rate service at the rate indicated above, two-party line flat rate service at a rate of \$3.75 per month or residence individual line flat rate service at a rate of \$4.80 per month.

Applicant estimates that its proposal in Palo Alto will result in an estimated annual revenue reduction of \$34,700. This revenue estimate assumes certain regrading of service from residence two-party flat rate to two-party message rate service and certain average message usage upon the introduction of the two-party message rate service.

Applicant states that the provision of residence two-party message rate service in lieu of residence four-party line flat rate service will provide a better service to subscribers within the Palo Alto exchange in that there will be a maximum of two subscribers per line rather than four and that it will make possible more extensive use of dialing of interexchange calls and

mechanical billing, thereby providing central office relief at switchboard positions in Palo Alto.

The Commission has considered this matter and is of the opinion that a public hearing thereon is not necessary and that a granting of the application as herein provided should improve telephone service. 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 upon the introduction of residence two-party message rate service, for the future will be unjust and unreasonable, therefore,

IT IS ORDERED as follows:

1. 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 rate for extended residence two-party message rate service shown in Exhibit A attached to the application and, after not less than five days' notice to this Commission and to the public, to make said rate effective for service rendered on and after the introduction of such service in the Palo Alto exchange.
2. Coincident with the introduction of extended residence two-party message rate service as authorized hereinabove, applicant is authorized to withdraw the offering of residence four-party line flat rate service in Palo Alto exchange and to cancel and withdraw the rate applicable thereto.
3. The authority granted herein will expire unless exercised on or before December 31, 1957.

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

Dated at San Francisco, California, this 5th day of MARCH, 1957.

[Signature]
President

[Signature]

[Signature]

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Commissioners