

ORIGINALDecision No. 55189

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 author-)
 ity to file and make effective rates)
 for extended residence two-party)
 line message rate service and with-)
 draw the offering of extended resi-)
 dence four-party line flat rate)
 service in the Hawthorne exchange.)

Application No. 39097

OPINION AND ORDER

By the above-entitled application, filed on May 28, 1957, The Pacific Telephone and Telegraph Company seeks authorization pursuant to Section 454 of the Public Utilities Code to (1) file and make effective rates for extended residence two-party line message rate service in its Hawthorne exchange, Los Angeles County, on or before January 1, 1958, and (2) coincident with the introduction of said residence two-party line message rate service, to withdraw the offering of extended residence four-party line flat rate service in its Hawthorne exchange.

In accordance with the option¹ 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 signalling 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."

Applicant now seeks authority to introduce residence two-party line message rate service in Hawthorne exchange on or before January 1, 1958, at a monthly rate of \$2.70 for the first 60 message units and 4.25 cents for each message unit over the allowance of 60 and, coincident therewith, cancel the monthly rate of \$2.70 for residence four-party line flat rate service. Such rate treatment is consistent with that presently in effect in other exchanges in the Los Angeles extended area where residence two-party line message rate service presently is offered.

Upon withdrawal of residence four-party line flat rate service in Hawthorne exchange, a subscriber may elect to take the new residence two-party line message rate service at the rate indicated above or may receive two-party line flat rate service at a rate of \$3.25 per month or residence individual line flat rate service at a rate of \$4.05 per month.

Establishment of two-party message rate service and withdrawal of four-party flat rate service will result in increased charges to some subscribers and decreased charges to other subscribers, depending upon message usage and the grade of service elected. Applicant estimates that in the aggregate its proposal will result in an estimated annual revenue reduction of \$3,900. This revenue estimate assumes certain regrading of service and certain average message usage upon the introduction of such residence two-party message rate service.

It is applicant's position that provision of residence two-party line message rate service in lieu of residence four-party line flat rate service will provide a better service to subscribers within the Hawthorne exchange, in that there will be a maximum of two subscribers per line rather than four, it will make possible more

extensive use of dialing of interexchange calls and mechanical billing, and will provide central office relief in the Hawthorne exchange by lessening the traffic load at switchboard positions.

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 this service in the Hawthorne 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 Hawthorne exchange and to cancel and withdraw the rate applicable thereto.

3. The authority granted herein will expire unless exercised on or before January 1, 1958.

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

Dated at Los Angeles, California, this 25th day of June, 1957.

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

Commissioners