

ORIGINALDecision No. 57102

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) Application No. 40221
 extended residence 2-party line mes-)
 sage rate service and withdraw the)
 offering of extended residence 4-party)
 line flat rate service in the Culver)
 City exchange.)

OPINION AND ORDER

By the above-entitled application filed on June 30, 1958, The Pacific Telephone and Telegraph Company seeks authorization under Section 454 of the Public Utilities Code on or before January 1, 1959, to (1) file and make effective rates for extended residence two-party line message rate service in the Culver City exchange, and (2) withdraw the offering of extended residence four-party line flat rate service in Culver City exchange and cancel and withdraw the rates applicable thereto coincident with the introduction of said extended 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 extended residence two-party line message rate service in lieu of extended 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."

The present rate for extended residence four-party line flat rate service in Culver City is \$2.95 per month. Applicant proposes a rate for extended residence two-party line message rate service in Culver City of \$2.70 for the first 60 message units and 4.25 cents for each message unit over the allowance of 60. Upon the withdrawal of extended residence four-party line flat rate service in Culver City a subscriber may elect to take the new two-party line message rate service at the rate indicated above, two-party flat rate service at \$3.50 per month, or residence individual line flat rate service at \$4.55 per month.

Applicant estimates that the proposed change in service at the rate it proposes will result in a decrease of \$10,400 in annual gross revenue. It appears that this revenue estimate is based upon certain assumed regrading from two-party flat rate to two-party message rate service and certain assumed average message usage.

Applicant alleges that the provision of extended residence two-party line message rate service in lieu of extended residence four-party flat rate service will provide a better service to subscribers in that there will be a maximum of two subscribers per line rather than four, and make possible more extensive use of dialing of interexchange calls and mechanical billing, thereby 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 extended residence two-party line 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, a rate for extended residence two-party line message rate service in Culver City of \$2.70 for the first 60 message units and 4.25 cents for each message unit over the allowance of 60, and after not less than five days' notice to this Commission and to the public, to make said rates effective for service furnished on and after the introduction of such service in Culver City exchange.
2. Coincident with the introduction of extended residence two-party line message rate service as authorized hereinabove, applicant is authorized to withdraw the offering of extended residence four-party line flat rate service in Culver City exchange and to cancel and withdraw the rate applicable thereto.
3. The authority granted herein will expire unless exercised on or before January 1, 1959.

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

Dated at Los Angeles, California, this 5th day of August, 1958.

Ernest Fox
President
Ray L. Winters
Walter H. ...
Leodore James
Commissioners