

East Bay, Los Angeles, and San Diego extended areas and in Orange County.

A comparison of present rates for extended residence four-party line flat rate service with applicant's proposed rates for extended residence two-party line message rate service in each of the six exchanges follows:

Extended Residence Rate per Month		
Exchange	Present Four-Party Line Flat Rate Service	Applicant's Proposed Two-Party Line Message Rate Service
Richmond	3.45	\$3.00 - 60 - 4.25c
Concord	3.20	3.00 - 60 - 4.25c
Walnut Creek	3.20	3.00 - 60 - 4.25c
Belvedere	3.20	3.00 - 60 - 4.25c
Moraga	3.45	3.00 - 60 - 4.25c
Danville	3.20	3.00 - 60 - 4.25c

Note: The rate of \$3.00 - 60 - 4.25c indicates a monthly rate of \$3.00 for the first 60 message units and 4.25c for each message unit over 60.

Upon the withdrawal of extended residence four-party line flat rate service in Richmond, Concord, Walnut Creek, Belvedere, Moraga, and Danville a subscriber may elect to take (1) the new extended residence two-party line message rate service at the rates indicated above, (2) extended residence two-party line flat rate service at a rate of \$3.75 per month in Concord, Walnut Creek, Belvedere and Danville, and \$3.90 per month in Richmond and Moraga, or (3) extended residence individual line flat rate service at the rate of \$4.55 in Concord, Walnut Creek, Belvedere and Danville, and \$5.05 per month in Richmond and Moraga.

Applicant estimates that the proposed change in service in the six exchanges enumerated above at the rates it proposes will result in a decrease of \$146,600 in annual gross revenue. It appears that this revenue estimate is based upon certain assumed regrading from two-party flat rate service to two-party message rate service and certain assumed average message usage. A summary of applicant's estimate of revenue reduction by exchanges, together with the

approximate date on which applicant proposes to introduce the extended residence two-party message rate service, are set forth in the tabulation following:

Exchange	Applicant's Estimated Gross Annual Revenue Effect	Approximate Date of Introduction of Extended Residence Two-Party Message Rate Service
Richmond	\$(96,600)	June 1959
Concord	(23,300)	June 1959
Walnut Creek	(18,000)	June 1959
Belvedere	(800)	December 1959
Moraga	(2,600)	December 1959
Darville	(5,300)	December 1959

(Denotes Decrease)

Applicant believes 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 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 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, the rates for extended residence two-party line

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 rates effective for service furnished on and after the introduction of such service in the Richmond, Concord, Walnut Creek, Belvedere, Moraga, and Danville exchanges.

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 the Richmond, Concord, Walnut Creek, Belvedere, Moraga and Danville exchanges and to cancel and withdraw the rates applicable thereto.

3. The authority granted herein will expire unless exercised on or before June 30, 1960.

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

Dated at San Francisco, California, this 17th day of February, 1959.

[Signature]
 President

[Signature]

[Signature]

[Signature]
 Commissioners