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Decision No. 58017

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 2-party line message rate service and withdraw the offering of extended residence 4-party line flat rate service in the Richmond, Concord, Walnut Creek, Belvedere, Moraga and Danville exchanges.

Application No. 40724

OPINION AND ORDER

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By the above-entitled application filed on January 6, 1959, The Pacific Telephone and Telegraph Company seeks authorization under Section 454 of the Public Utilities Code on or before June 30, 1960, to (1) file and make effective rates for extended residence two-party line message rate service in the Richmond, Concord, Walnut Creek, Belvedere, Moraga and Danville exchanges as shown on Exhibit A attached to the application, and (2) withdraw the offering of extended residence four-party line flat rate service in the Richmond, Concord, Walnut Creek, Belvedere, Moraga and Danville exchanges and cancel and withdraw the rates applicable thereto coincident with the introduction of extended residence two-party line message rate service.

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 states that it 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-

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^{17.} 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."

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

A comparison of present rates for extended residence fourparty 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:

| : | :Present Four-Party Line | : Applicant's Proposed Two-Party: |
|--------------|--------------------------|--|
| : Exchange | : Flat Rate Service | : 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 |
| | | 00 (0 / 05, 1, 2, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, |

Extended Residence Rate per Month

Note: The rate of \$3.00 - 60 - 4.25¢ indicates a monthly rate of \$3.00 for the first 60 message units and 4.25¢ 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

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

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

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 berein 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 twoparty 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

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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, Walput Creek, Belvedere, Moraga, and Danville exchanges.

2. Coincident with the introduction of extended residence twoparty line message rate service as authorized hereinabove, applicant is authorized to withdraw the offering of extended residence fourparty 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_ _, California, this San Francisco Behrunnet. day of , 1959. President