

**ORIGINAL**Decision No. 58021

## BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the )  
CENTRAL CALIFORNIA TELEPHONE COMPANY, ) Application No. 40744  
a corporation, for an order authorizing )  
an increase in Telephone Directory )  
Advertising Rates in the Exeter Exchange)

OPINION AND ORDER

By the above-entitled application filed on January 12, 1959, Central California Telephone Company seeks authority pursuant to Sections 454 and 491 of the Public Utilities Code to increase rates for classified advertising in applicant's Exeter telephone directory effective with the February 1, 1959 issue. The presently effective and applicant's proposed rates are set forth on Exhibit B (1) attached to the application.

Applicant periodically publishes a classified telephone directory in conjunction with telephone service furnished in its Exeter exchange. The application includes, in Exhibit B, a basic directory advertising rate schedule containing 14 rate groups, the rates in each group increasing with increasing circulation of the directory as measured by the total number of telephones in service. Directory advertising rates of other independent telephone utilities in California on file with this Commission generally are in harmony with such basic schedule.

In this proceeding applicant specifically proposes to increase Exeter directory advertising rates from rate group 2 (1501 to 2500 telephones) to rate group 3 (2501 to 4500 telephones),

stating that the number of telephones in Exeter now exceeds 2,550.

A comparison of present and applicant's proposed rates for typical items of directory advertising follows:

| Rate Group Number<br>Number of Telephones   | <u>Rate per Month</u>      |                            |
|---|----------------------------|----------------------------|
|   | <u>2</u><br>1,501 to 2,500 | <u>3</u><br>2,501 to 4,500 |
| <u>Monthly Advertising Rates</u>            |                            |                            |
| Column Advertising:                         |                            |                            |
| Regular type listing                        | \$ .25                     | \$ .30                     |
| Bold type listing                           | .50                        | .60                        |
| Trade name listing                          | .60                        | .75                        |
| Cross reference heading                     | .65                        | .85                        |
| Informational listing - $\frac{1}{2}$ -inch | .90                        | 1.05                       |
| 1-inch                                      | 1.50                       | 1.75                       |
| $1\frac{1}{2}$ -inch                        | 2.00                       | 2.35                       |
| Trademark heading                           | 2.00                       | 2.50                       |
| Display Advertising:                        |                            |                            |
| $\frac{1}{2}$ -column                       | 2.25                       | 3.00                       |
| $\frac{1}{2}$ -column                       | 4.50                       | 6.00                       |
| Double $\frac{1}{2}$ -column                | 9.00                       | 12.00                      |

Based on the volume of advertising in the February 1958 issue of the Exeter directory, applicant estimates that its proposed rates would increase charges to advertisers by \$1,094, or approximately 16 per cent, after giving effect to an estimated decrease in volume of advertising at the proposed higher rate levels. Applicant further estimates that it will retain only \$416, or 38 per cent of said increase, since applicant estimates that at the higher rate levels its payments to the directory company would be increased by \$678. It is apparent that such increase in revenues that is estimated to result from a granting of this application will have no material effect on applicant's over-all operating results, applicant having in excess of \$1,100,000 of net plant in service.

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 will not be adverse to the public interest. In granting this application, however, it appears that applicant immediately should undertake to renegotiate its contract with the directory company, looking toward obtaining a greater proportion of directory revenues in light of applicant's estimate that only 38 per cent of the increase will accrue to applicant. Applicant will be required by the order herein to report on the results of such negotiations.

Finding that the increases in rates and charges authorized herein are justified and that present rates, insofar as they differ from those herein prescribed, for the future are unjust and unreasonable, therefore,

IT IS ORDERED that applicant is authorized to file in quadruplicate with this Commission on or after the effective date of this order, in conformity with General Order No. 96, the increased rates for directory advertising service in Exeter exchange as set forth on Exhibit B (1) attached to the application and after not less than three days' notice to the Commission and to the public, to make said rates effective for advertising service commencing in the February 1959 issue of the Exeter telephone directory.

IT IS FURTHER ORDERED that, within 90 days after the effective date of this order, applicant shall file a written report with this Commission setting forth the results of its negotiations

with its directory company looking toward obtaining a greater proportion of directory revenues as discussed above.

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

Dated at San Francisco, California, this 17<sup>th</sup> day of FEBRUARY, 1959.

E. Fox  
President  
E. B. [unclear]  
William [unclear]  
Theodore [unclear]  
Conrad [unclear]  
Commissioners