

**ORIGINAL**Decision No. 58397

## 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 establish a typical schedule of )  
 rates for street address telephone ) Application No. 40994  
 directory service and to revise rates )  
 for certain street address telephone )  
 directories. )

OPINION AND ORDER

By the above-entitled application, filed on April 2, 1959, The Pacific Telephone and Telegraph Company seeks rate increase authority pursuant to Section 454 of the Public Utilities Code to:

(1) withdraw from its Schedule Cal. P.U.C. No. 105-T the presently effective tariff sheets which contain rates and conditions applicable to street address telephone directory service; (2) file revised tariff sheets to indicate the rates and conditions applicable to street address telephone directory service as shown in Exhibit B attached to the application; and (3) revise rates for street address telephone directory service in conformity with the rates contained in Exhibit B attached to the application, to become effective for all new applications and for renewals of applications for street address telephone directory service taken on and after July 1, 1959.

Pursuant to its Schedule Cal. P.U.C. No. 105-T, applicant periodically publishes 24 street address telephone directories in conjunction with telephone service furnished by applicant in California. Applicant reports that as of December 31, 1958 there were 13,455 copies of street address directories in service, ranging from a low of 226 in Stockton to a high of 1,304 in Oakland. Said Schedule

No. 105-T indicates that 21 of the street address directories presently are issued at six-month intervals, and three directories are issued on a monthly basis; that street address telephone directory service is the furnishing of a directory which lists, in accordance with applicant's regular practices, subscribers' names and telephone numbers by street name, arranged alphabetically and numerically thereunder by address. It appears from the application that present rates for this service were, in general, based on the number of listings contained in a particular directory at the time it was first published. Applicant claims that, with a continued increase in the number of telephone subscribers and a corresponding increase in the number of listings, many of its street address directories have become progressively underpriced. Accordingly, applicant proposes to establish the following basic schedule of rates for its 21 semi-annual directories comprising 15 rate groups with rates varying in relation to the number of listings in the street address directories.

<u>Number of Listings in Directory</u>	<u>Rate Group No.</u>	<u>Rate Per Copy Each Six-Month Period</u>
26,000 - 32,500	1	\$16.50
32,501 - 39,500	2	18.00
39,501 - 48,000	3	19.50
48,001 - 58,500	4	21.00
58,501 - 72,000	5	24.00
72,001 - 90,000	6	27.00
90,001 - 115,000	7	30.00
115,001 - 150,000	8	34.50
150,001 - 200,000	9	39.00
200,001 - 265,000	10	45.00
265,001 - 350,000	11	51.00
350,001 - 455,000	12	57.00
455,001 - 580,000	13	63.00
580,001 - 725,000	14	69.00
725,001 - 900,000	15	75.00

Under applicant's proposed rates for semi-annual directories, based upon directories in service as of December 31, 1958, rates in

15 directories would be increased, rates in two directories would be decreased, and rates in four would remain unchanged. A comparison of present and company-proposed rates for each of the 21 semi-annual directories follows:

<u>Directory</u>	<u>Number of Listings in Service 12-31-58</u>	<u>Number of Directories in Service 12-31-58</u>	<u>Present Six-Month Rate Per Copy</u>	<u>Company-Proposed Six-Month Rate Per Copy</u>	<u>Increase</u>
Richmond	33,175	396	\$15.00	\$18.00	\$ 3.00
Marin County	35,184	340	15.00	18.00	3.00
Stockton	38,900	226	16.50	18.00	1.50
Bakersfield	43,287	247	16.50	19.50	3.00
San Pedro, etc.	45,252	229	21.00	19.50	(1.50)
Hayward, etc.	53,125	553	16.50	21.00	4.50
Los Altos, etc.	59,700	512	19.50	24.00	4.50
Contra Costa Co.	61,675	434	19.50	24.00	4.50
Fresno	61,714	318	19.50	24.00	4.50
Inglewood, etc.	65,151	451	24.00	24.00	-
Pasadena	68,281	331	27.00	24.00	(3.00)
Compton, etc.	75,978	371	24.00	27.00	3.00
Glendale	85,242	432	27.00	27.00	-
San Mateo, etc.	85,594	672	21.00	27.00	6.00
Alhambra, etc.	86,078	451	27.00	27.00	-
San Jose	87,322	632	19.50	27.00	7.50
San Diego Co., etc.	91,620	404	27.00	30.00	3.00
Sacramento	108,342	649	24.00	30.00	6.00
San Diego	110,545	516	30.00	30.00	-
Orange Co.	130,853	529	30.00	34.50	4.50
No.Hollywood,etc.	133,026	916	30.00	34.50	4.50

(Decrease)

Applicant's street address directories for Oakland, San Francisco and Los Angeles are printed monthly and are offered for periods of from one to six months, either with or without monthly replacements. The increased rates proposed by applicant for these three monthly directories in relation to the rates presently in effect are compared as follows:

<u>Service Period</u>	<u>Monthly Rate Per Copy</u>			
	<u>Without Replacement</u>		<u>With Monthly Replacement</u>	
	<u>Present</u>	<u>Company-Proposed</u>	<u>Present</u>	<u>Company-Proposed</u>
<u>Oakland, etc., Directory</u> (231,735 Listings; 1,304 Copies in Service)				
One Month	\$14.00	\$15.00	\$14.00	\$15.00
Two Months	11.00	11.75	13.25	14.00
Three Months	9.00	9.75	12.75	13.25
Four Months	8.00	8.75	12.25	12.75
Five Months	7.50	8.00	11.75	12.25
Six Months	7.00	7.50	11.25	11.75
Each Additional Month after Six Months	-	-	11.25	11.75
<u>San Francisco Directory</u> (306,860 Listings; 1,260 Copies in Service)				
One Month	\$16.00	\$17.00	\$16.00	\$17.00
Two Months	12.50	13.25	15.00	16.00
Three Months	10.50	11.00	14.50	15.25
Four Months	9.25	9.75	14.00	14.50
Five Months	8.50	9.00	13.50	14.00
Six Months	8.00	8.50	13.00	13.50
Each Additional Month after Six Months	-	-	13.00	13.50
<u>Los Angeles Directory</u> (623,554 Listings; 1,282 Copies in Service)				
One Month	\$20.00	\$23.00	\$20.00	\$23.00
Two Months	16.00	18.25	18.75	21.50
Three Months	13.00	14.75	18.00	20.50
Four Months	11.75	13.25	17.25	19.50
Five Months	10.75	12.25	16.50	18.75
Six Months	10.00	11.50	15.75	18.00
Each Additional Month after Six Months	-	-	15.75	18.00

Applicant's annual revenues in 1958 from this service in California approximated \$890,000. In the same year, the direct expenses attributable to publication, sales, and delivery costs of applicant's street address directories in California approximated \$628,000.

An increase of \$56,000 in annual revenues is anticipated by applicant under the rates it proposes, after reflecting losses of \$50,000 which applicant estimates will result from discontinuance of approximately 700 services at the higher rate levels by marginal users of such directories. If such decline in usage as estimated by applicant at the higher rate levels were actually to take place, applicant would realize a savings in the costs of publishing and distributing such directories.

The application further reveals that applicant plans to apply rates to future street address telephone directories in conformity with the basic schedule in Exhibit B attached to the application. Applicant also plans to request Commission authority to revise such rates in the future by letter application, similar to the method it now employs in requesting authority to revise its rates for classified telephone directory advertising whenever the number of listings contained in a particular street address directory changes to the extent that the rates corresponding to a different rate group would be properly applicable.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary; that any net revenue, after expenses, realized from street address telephone directory service will reflect in the over-all revenues of the company, which, in the long run, should result in lower exchange rates to the average subscriber; and that the application should be granted. Finding as a fact that the increases in rates and charges authorized herein are justified and that the present rates and charges, in so far as they differ from those herein prescribed, for the future are unjust and unreasonable; therefore,

IT IS ORDERED that The Pacific Telephone and Telegraph Company is authorized to file in quadruplicate with the Commission, on or after the effective date of this order and in conformity with the provisions of General Order No. 96, revised tariff schedules with rates, charges, and conditions for street address telephone directory service, modified as set forth in Exhibit B attached to the application, and, on not less than five days' notice to the public and to this Commission, to make said revised tariffs effective for all new applications and for renewals of applications for street address telephone directory service taken on and after July 1, 1959.

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

Dated at San Francisco, California, this 12th day of May, 1959.

E. L. Fox  
President

E. E. B. [unclear]

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Commissioners