

jo

9

ORIGINAL

Decision No. 58745

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
the Roseville Telephone Company,
a California corporation, for an
order authorizing an increase in
Telephone Directory advertising rates.

Application No. 41146

OPINION AND ORDER

By the above-entitled application filed on May 19, 1959, Roseville Telephone Company seeks authority pursuant to Sections 454 and 491 of the Public Utilities Code to increase rates for classified advertising in applicant's Roseville telephone directory effective with the September 1, 1959 issue. The presently effective and applicant's proposed rates are set forth on Exhibit B attached to the application as numbered Schedules 4 and 5, respectively.

Applicant periodically publishes a classified telephone directory in conjunction with telephone service furnished in its Roseville exchange. The application includes, in Exhibit B, a basic directory advertising rate schedule containing five numbered schedules, the rates in each numbered schedule 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 Roseville directory advertising rates from rate Group 4 (4,501 to 7,500 telephones) to rate Group 5 (7,501 to 12,500 telephones). By letter dated June 16, 1959, applicant has advised the Commission that as of May 31, 1959 it was serving 7,501 stations and that by September 1, 1959 it expects to be serving approximately 8,000 stations.

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

Rate Schedule Number	Rate Per Month	
	Present	Company Proposed
Number of Telephones	4 4,501 - 7,500	5 7,501 - 12,500
Monthly Advertising Rates		
Column Advertising		
Regular Type Listing	\$.35	\$.40
Bold Type Listing	.75	1.00
Trade Name Listing	1.00	1.25
Cross Reference Heading	1.25	1.50
Information Listing -		
$\frac{1}{2}$ -inch	1.20	1.75
1-inch	2.00	3.00
$1\frac{1}{2}$ -inch	2.70	4.00
Trademark Heading	3.00	4.00
Display Advertising		
$\frac{1}{2}$ -Column	3.50	4.50
$\frac{1}{2}$ -Column	7.00	9.00
Double $\frac{1}{2}$ -Column	14.00	18.00

Based on the volume of advertising in the September 1958 issue of the Roseville directory, applicant estimates that its proposed rates would increase charges to advertisers by \$8,401, or approximately 19%, 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 \$3,361, or 40% of said increase since applicant estimates that at the higher rate levels its expenses (including payments to the directory company) would be increased by \$5,040. A summary of earnings shown in Exhibit D to the application indicates that such increase in revenues that are estimated to result from a granting of this application would have no material effect on applicant's over-all operating results, applicant having in excess of \$1,700,000 of net plant in service.

The Commission has considered this matter and is of the opinion that a public hearing thereon is not necessary; that any net revenue, after expenses, realized from telephone directory advertising 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 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 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 40% 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 in so far 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 the Roseville exchange set forth as Schedule No. 5 in Exhibit B attached to the application and, on not less than five days' notice to the Commission and to the public, to make said rates effective for advertising service commencing in the September 1959 issue of the Roseville telephone directory.

IT IS FURTHER ORDERED that within ninety 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 14th day of July, 1959.

Ernest R. Page
President
W. H. Mitchell
W. H. Doolin
E. G. Fox
Herbert Jenner
Commissioners