

ORIGINAL

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Decision No. _____

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 San Rafael, San Jose,
Saratoga, Campbell, Pacifica and
Mountain View exchanges.

Application No. 43150

OPINION AND ORDER

By the above-entitled application filed on February 10, 1961, The Pacific Telephone and Telegraph Company seeks authorization under Section 454 of the Public Utilities Code on or before March 31, 1963, to (1) file and make effective rates for extended residence two-party line message rate service in the San Rafael, San Jose, Saratoga, Campbell, Pacifica and Mountain View 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 San Rafael, San Jose, Saratoga, Campbell, Pacifica and Mountain View 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 option ^{1/} permitted in Ordering Paragraph 6(b) of Decision No. 41416, dated April 6, 1948, in

1/ Ordering Paragraph 6(b) of Decision No. 41416 states: "Semi-selective signalling 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."

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

A comparison of present rates for extended 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: Applicant's Proposed Two-Party:	:
		: Flat Rate Service : Line Message Rate Service :	
San Rafael	\$3.20	\$3.00 - 60 - 4.25c	
San Jose	3.45	3.00 - 60 - 4.25	
Saratoga	3.45	3.00 - 60 - 4.25	
Campbell	3.45	3.00 - 60 - 4.25	
Pacifica	3.45	3.00 - 60 - 4.25	
Mountain View	3.20	3.00 - 60 - 4.25	

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 San Rafael, San Jose, Saratoga, Campbell, Pacifica and Mountain View a subscriber may elect to take (1) the new extended 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 San Rafael and Mountain View exchanges, and \$3.90 per month in San Jose, Saratoga, Campbell and Pacifica exchanges, or

(3) extended residence individual line flat rate service at the rate of \$4.80 per month in San Rafael and Mountain View exchanges, and \$5.05 per month in San Jose, Saratoga, Campbell and Pacifica exchanges.

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 \$138,400 in annual gross revenue. It appears that this estimate of revenue reduction is based upon certain assumed regrading from two-party flat rate service to two-party message rate and certain assumed average message service. 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 :	: Approximate Date of Introduction of : : Extended Residence Two-Party Message: : Rate Service :
San Rafael	\$ (23,900)	October 1961
San Jose	(77,600)	November 1961
Saratoga	(2,000)	February 1962
Campbell	(12,100)	February 1962
Pacifica	(10,100)	September 1962
Mountain View	(12,700)	December 1962

(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. The Commission finds 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:

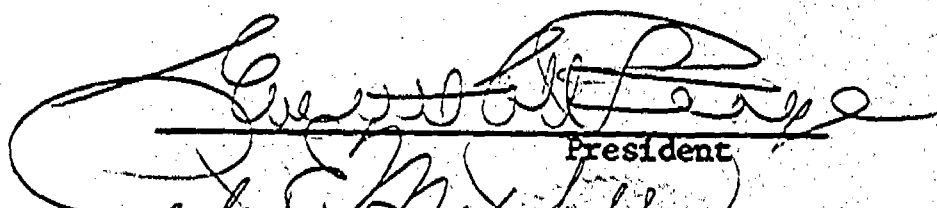
1. Applicant is authorized to file in quadruplicate with this Commission after the effective date of this order, in conformity with General Order No. 96, the rates for extended residence two-party line message rate service shown in Exhibit A attached to the application and, after not less than five days' 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 San Rafael, San Jose, Saratoga, Campbell, Pacifica and Mountain View 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 San Rafael, San Jose, Saratoga, Campbell, Pacifica and Mountain View exchanges and to cancel and withdraw the rates applicable thereto.

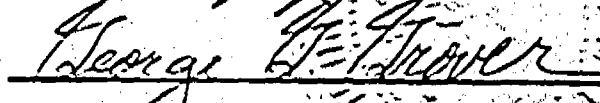
3. The authority granted herein will expire unless exercised on or before March 31, 1963.

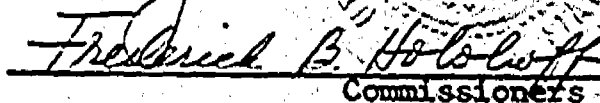
The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 28th day of MARCH, 1961.



President


E. J. Fox


George E. Hoover


Frederick B. Holshoff
Commissioners