

ORIGINALDecision No. 62550

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 CALIFORNIA WATER & TELEPHONE COMPANY
 for authority to make applicable in
 its Indio, Thousand Palms, Salton and
 Eagle Mountain Exchanges applicant's
 filed tariff schedule No. D-1 for
 classified directory advertising
 service which applies to all of
 applicant's other telephone exchanges.

Application No. 43628
 (Filed July 24, 1961)

OPINION AND ORDER

By this application, California Water & Telephone Company, a California corporation, seeks authority to make applicable in its Indio, Thousand Palms, Salton and Eagle Mountain telephone exchanges Schedule No. D-1 of its filed tariffs, designated "Classified Telephone Directory Advertising Service". Said schedule is in effect in all of applicant's other telephone exchanges and it specifies directory advertising rates graduated according to the total number of telephones in the largest exchange listed in each directory.

During the months of December 1960 and January 1961 applicant acquired all of the issued and outstanding stock of Coachella Valley Telephone Company, a public utility rendering telephone service in the counties of Riverside and Imperial to the communities of Indio, Palm Desert, Oasis, La Quinta, Thermal, Coachella, Mecca, Thousand Palms, Salton and Eagle Mountain. Such telephone service is rendered through four exchanges known as Indio exchange, Thousand Palms exchange, Salton exchange and Eagle Mountain exchange. Pursuant to authority conferred by the Commission's Decision No.

61903, dated May 1, 1961, said Coachella Valley Telephone Company was, by statutory merger, merged into applicant company effective as of June 30, 1961.

Coachella Valley Telephone Company customarily issued a single consolidated directory covering the four aforementioned telephone exchanges, and applicant states that it intends to continue this practice in the immediate future. The next directory for the four exchanges is to be published and distributed on January 1, 1962. As of June 30, 1961, the total number of telephones in the Indio exchange, which is the largest of the four exchanges, was 11,144, and the total for the four exchanges was 11,560. Under the current tariffs of Coachella Valley Telephone Company, as on file with the Commission, rate grouping No. 5 of Schedule No. D-2 would apply to the January 1, 1962 directory. Under applicant's proposal, grouping "E" of applicant's Schedule No. D-1 would apply to said directory.

Applicant deems it to be highly advisable for its directory advertising rates to be uniformly applicable to its various exchanges. It requests therefore, that it be authorized to make effective in Indio, Thousand Palms, Salton and Eagle Mountain exchanges its Schedule No. D-1 in lieu of the Schedule No. D-2 of Coachella Valley Telephone Company. The tabulation below shows a comparison between the rates that would be applicable to the January 1, 1961 directory under applicant's Schedule No. D-1 and under Schedule No. D-2 of Coachella Valley Telephone Company.

<u>Type of Advertising</u>	<u>Monthly Rate</u>	
	<u>Schedule No. D-2 Grouping "5"</u>	<u>Schedule No. D-1 Grouping "E"</u>
Regular Type Listing	\$.40	\$.50
Additional Line of Information	.40	.50
Alternate Call Number	.40	.50
Bold Type Listing	1.00	1.25
Trade Name Listing	1.25	1.55
Trade Mark or Trade Name Cross Reference Listing	1.50	1.90
Trade Mark or Trade Name Cross Reference Heading	1.50	1.90
Information Listing - 1 Inch	3.00	3.75
$\frac{3}{4}$ Inch	1.75	2.25
$1\frac{1}{2}$ Inch	4.00	5.00
Trade Mark Heading	4.00	5.00
Display Advertising		
One Quarter Column	4.50	5.75
One Half or Double Quarter Column	9.00	11.50
Double Half Column	18.00	23.00

The number of present advertisers in the directory for the four exchanges is as follows:

<u>Classification</u>	<u>Number of Advertisers</u>
Local	818
Multibook	48
Foreign	220
Trademark	<u>103</u>
Total	1,189

Applicant estimates that the gross annual increase in directory advertising revenue which would result from the granting of this application would be \$28,685, provided each advertiser were to retain his present amount of advertising. However, applicant believes that the higher rates would cause regrades and cancellations, and result in realization of only approximately 70% of such

gross annual increase, or the sum of \$20,080. Of this sum, applicant estimates that it would retain \$9,918, or something less than 50% of the increase, with the balance being paid to the publishers of the directory.

As part of Exhibit B attached to the application, applicant shows a summary of earnings on its operations for the year 1961 on an estimated basis. According to Exhibit B, telephone division will realize a 6.50% return in 1961 on a depreciated rate base of \$79,375,488.

The Commission has considered this matter and finds that a public hearing is not necessary. The Commission further finds that the proposed increase in directory advertising rates will have no material effect on applicant's over-all operating results and that a granting of the application will not be adverse to the public interest.

The Commission finds 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 Indio, Thousand Palms, Salton and Eagle Mountain exchanges as set forth hereinabove under Schedule No. D-1 Grouping "E" and, upon not less than five days' notice to the Commission and to the public, to make said rates

effective for advertising service commencing in the January 1, 1962 issue of its directory for said exchanges.

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

Dated at San Francisco, California, this 12th day of September, 1961.

[Signature]
President

[Signature]

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Commissioners