

**ORIGINAL**Decision No. 62934

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 mes- )  
 sage rate service and withdraw the )  
 offering of extended residence 4- )  
 party line flat rate service in the )  
 Montebello exchange. )

Application No. 43913

OPINION AND ORDER

By the above-entitled application filed November 13, 1961, The Pacific Telephone and Telegraph Company seeks authorization under Section 454 of the Public Utilities Code on or before December 31, 1962 to (1) file and make effective rates for extended residence 2-party line message rate service in the Montebello exchange as shown on Exhibit A, (2) withdraw the offering of extended residence 4-party line flat rate service in this exchange and to cancel and withdraw the rate applicable thereto coincident with the introduction of extended residence 2-party line message rate service.

In accordance with the option<sup>1</sup> permitted in ordering paragraph 6(b) of Decision No. 41416, dated April 6, 1948, in Application No. 23211, The Pacific Telephone and Telegraph Company states that it is proceeding with its program for the introduction of extended residence 2-party line message rate service in lieu of extended residence 4-party line flat rate service in exchanges in metropolitan areas.

<sup>1</sup> Ordering paragraph 6(b) of Decision No. 41416 states: "Semi-selective signaling may be installed on 4-party lines in multi-office exchanges or within extended areas where applicant elects ultimately to provide only 2-party service."

A comparison of present rates for extended residence 4-party line flat rate service with applicant's proposed rates for extended residence 2-party line message rate service in the Montebello exchange follows:

Extended Residence Rate Per Month

Exchange	Present 4-Party Line Flat Rate Service	Applicant's Proposed 2-Party Line Message Rate Service
Montebello	\$2.70	\$2.70-60-4.25¢

Note: The rate of \$2.70-60-4.25¢ indicates a monthly rate of \$2.70 for the first 60 message units and 4.25¢ for each message unit over 60.

Applicant estimates that the proposed change in service in the Montebello exchange will result in a decrease of \$3,100 in annual gross revenue. It appears that this revenue estimate is based upon certain assumed regrading from 4-party flat rate service to 2-party message rate service and also certain assumed average message usage.

Applicant asserts that the provision of 2-party line message rate extended service during the year 1962 will provide a better grade of service to subscribers within the Montebello exchange in that there will be a maximum of 2 subscribers per line instead of 4. Further, it will be possible to offer 2-party line extended service at a lesser rate than the present 2-party line flat rate service. This proposed service offering should be attractive to marginal telephone users who desire the least expensive service but object to 4-party lines.

Findings and Conclusions

The Commission has considered this matter and finds and concludes that public hearing thereon is not necessary, that granting of the application as herein provided should improve telephone service, that the 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 2-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 2-party line message rate service shown on 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 Montebello exchange.
2. Coincident with the introduction of extended residence 2-party line message rate service as authorized hereinabove, applicant is authorized to withdraw the offering of extended residence 4-party line flat rate service in the Montebello exchange and to cancel and withdraw the rates applicable thereto.
3. The authority granted herein will expire unless exercised on or before December 31, 1962.

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

Dated at San Francisco, California, this 19th day of DECEMBER, 1961.

*Charles W. Page*  
 President

*John E. ...*

*S. ...*

*George E. Crover*

*Fredrick B. Holoboff*  
 Commissioners