

ORIGINALDecision No. 63533

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY 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 Crescenta, Glendale and Inglewood exchanges; the Gardena district area of the Compton exchange; and the Burbank district area of the Burbank exchange.

Application No. 44119

OPINION AND ORDER

By the above-entitled application filed January 19, 1962, 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 2-party line message rate service in the Crescenta, Glendale and Inglewood exchanges; the Gardena district area of the Compton exchange; and the Burbank district area of the Burbank exchange as shown on Exhibit A of the application, (2) withdraw the offering of extended residence 4-party line flat rate service in these exchanges and district areas and to cancel and withdraw the rates applicable thereto coincident with the introduction of extended residence 2-party line message rate service.

In accordance with the option^{1/} permitted in ordering

^{1/} 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."

paragraph 6(b) of Decision No. 41416, dated April 6, 1948, in Application No. 28211, 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.

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 for the heretofore mentioned exchange areas is as follows:

Extended Residence Rate Per Month

Exchange	: Present 4-Party Line: : Flat Rate Service :	Applicant's Proposed 2-Party: Line Message Rate Service :
Crescenta	\$2.70	\$2.70 - 60-4.25c
Glendale	2.95	2.70 - 60-4.25c
Gardena D. A. of Compton	2.70	2.70 - 60-4.25c
Burbank D. A. of Burbank	2.70	2.70 - 60-4.25c
Inglewood	2.70	2.70 - 60-4.25c

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

Applicant estimates that the proposed change in service in said exchanges will result in a decrease of \$34,600 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 said exchanges in that there will be a maximum of two subscribers per line instead of four. 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 is not necessary, that granting of the application as herein provided will not be adverse to the public interest, that the rates authorized herein are justified and that present rates, insofar 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-A, 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 Crescenta, Glendale and Inglewood exchanges; the Gardena district area of the Compton exchange; and the Burbank district area of the Burbank 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 Crescenta, Glendale and Inglewood exchanges; the Gardena district area of the Compton exchange; and the Burbank district area of the Burbank exchange, 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 10th day of ! APRIL !, 1962.

President
(Signature)

(Signature)

(Signature)

(Signature)

 Commissioners

Commissioner Everett C. McKeago, being necessarily absent, did not participate in the disposition of this proceeding.