

ORIGINAL

Decision No. 67017

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE)
 AND TELEGRAPH COMPANY, a corporation,)
 for authority to transfer classified)
 directory listings and advertising of)
 subscribers in the Rio Linda exchange)
 from the Fair Oaks, Folsom and Rio)
 Linda directory to the Sacramento)
 directory.)

Application No. 46038
 (Filed December 16, 1963)

Arthur T. George and G. H. Eckhardt, Jr., for applicant.
John E. Brown, for the Commission staff.

O P I N I O N

By this application, The Pacific Telephone and Telegraph Company, a corporation, seeks authority to transfer classified directory listings and advertising of subscribers in its Rio Linda exchange from its Fair Oaks-Folsom-Rio Linda directory to its Sacramento directory, thus establishing a Sacramento-Rio Linda directory and a Fair Oaks-Folsom directory.

This application was heard before Examiner Catey in Sacramento on February 24, 1964, and was submitted on that date. Copies of the application and notice of hearing had been served in accordance with this Commission's Rules of Procedure. Testimony on behalf of applicant was presented by the general directory supervisor of its northern California region. Testimony in favor of applicant's proposed changes was presented by two business subscribers and one residential subscriber in the Rio Linda exchange. No subscribers appeared at the hearing to protest the granting of the application.

Exchange Areas and Directory Distribution

The map, Exhibit No. 1, shows that the Fair Oaks, Folsom and Rio Linda exchange areas are roughly northeast, east and north, respectively, of the Sacramento exchange area. Fair Oaks, Folsom and Rio Linda are each contiguous to Sacramento. Fair Oaks and Folsom are contiguous to each other but not to Rio Linda, which is surrounded on three sides by Sacramento.

The directory now distributed to Sacramento subscribers incorporates a consolidated alphabetical listing for all four exchanges but normally has classified listings only of Sacramento business subscribers. The Fair Oaks-Folsom-Rio Linda directory includes the consolidated alphabetical listing of the Sacramento directory, has additional alphabetical listings of some small nearby exchanges, but normally has classified listings only of Fair Oaks, Folsom and Rio Linda business subscribers. Applicant furnishes both directories without charge to any subscriber who requests them, and business subscribers may purchase additional listings or advertising in either or both directories.

With applicant's proposed establishment of Sacramento-Rio Linda and Fair Oaks-Folsom directories, Rio Linda subscribers would no longer have available in their basic directory the Fair Oaks and Folsom normal classified listings nor the alphabetical listings of small nearby exchanges, which would remain in the Fair Oaks-Folsom book. Applicant intends, however, to continue its practice of providing both directories upon request, without charge.

Subscriber Reaction

Several letters were read into the record directed to this Commission from subscribers who were unable to be present at the hearing. Those letters tend to confirm the general public approval of applicant's proposed changes indicated by the public witnesses who testified, the absence of any opposing testimony, and the subscriber survey conducted in an independent public opinion poll of Rio Linda subscribers summarized in Exhibit No. 2. That exhibit shows that 77 percent of the subscribers favor the change and only 12 percent are opposed, with 11 percent not expressing any preference.

The uncontroverted testimony of the various witnesses shows that the Sacramento and Rio Linda areas have developed a community of interest whereas the Fair Oaks and Folsom areas tend to have more in common with one another than with either Sacramento or Rio Linda.

Effect on Rates and Revenues

Rates for advertising in consolidated directories are based upon the number of subscribers in the largest exchange covered by the directory. Thus, the Sacramento exchange would provide the basis for rates covering advertising in the proposed Sacramento-Rio Linda directory and the Folsom exchange would establish charges for advertising in the proposed Fair Oaks-Folsom directory. The proposed changes would therefore affect the advertising rates of business subscribers in the Rio Linda exchange. Comparative rates shown in Exhibit No. 3 indicate increases ranging from 50 percent to 243 percent to Rio Linda advertisers, who would obtain the larger and generally more advantageous coverage provided by the proposed Sacramento-Rio Linda directory.

Applicant's estimate of overall effect on its revenues is shown in Exhibit No. 4. After taking into account the reduced charges to some subscribers who now advertise in both the Sacramento and the Fair Oaks-Folsom-Rio Linda directories, an increase of \$3,204 in annual revenues is expected. This would be partly offset by an increase of \$600 in annual expenses.

Findings and Conclusion

The Commission finds that applicant's proposal is in the public interest and that, upon revision of the directories as proposed, the increase in rates and charges to Rio Linda advertisers authorized herein will be justified, the rates and charges authorized herein will be reasonable, and the present rates and charges, insofar as they differ from those prescribed herein, will be for the future unjust and unreasonable. The Commission concludes that the application should be granted as set forth in the ensuing order.

O R D E R

IT IS ORDERED that:

1. After the effective date of this order and prior to the December 21, 1964 expiration date of the January 1964 classified directories for the Sacramento exchange and the combined Fair Oaks, Folsom and Rio Linda exchanges, applicant, The Pacific Telephone and Telegraph Company, may consolidate its Sacramento and Rio Linda exchanges into one classified directory and consolidate its Fair Oaks and Folsom exchanges into another classified directory.

2. Within thirty days after the effective date of this order, applicant shall file revised tariff sheets to provide for the application of its present Sacramento directory advertising rates to the new consolidated Sacramento-Rio Linda directory, and the application of its present Fair Oaks-Folsom-Rio Linda directory advertising rates to the new consolidated Fair Oaks-Folsom directory. Such filing shall comply with General Order No. 96-A and the revised sheets shall become effective concurrently with revision of the directories as authorized herein.

3. Upon request by any subscriber in the Sacramento, Rio Linda, Fair Oaks or Folsom exchanges, applicant shall provide such subscriber with both directories authorized herein, without additional charge.

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

Dated at San Francisco, California, this 31st day of MARCH, 1964.

[Signature] President
[Signature]
[Signature]
[Signature] Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.