

ORIGINAL

Decision No. 68275

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 Chula Vista, Coronado, El Cajon,)
 La Jolla, La Mesa, National City,)
 Pacific Beach and San Ysidro)
 exchanges.)

Application No. 47040
(Filed October 13, 1964)

OPINION AND ORDER

By the above-entitled application The Pacific Telephone and Telegraph Company seeks authorization under Section 454 of the Public Utilities Code to (1) file and make effective rates for extended residence 2-party line message rate service in the Chula Vista, Coronado, El Cajon, La Jolla, La Mesa, National City, Pacific Beach, and San Ysidro exchanges as shown on Exhibit A of the application; (2) withdraw the offering of extended residence 4-party line flat rate service in those exchanges and 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 Decision No. 41416, dated April 6, 1948, in Application No. 28211, The Pacific Telephone and Telegraph Company states that it is

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

proceeding with its program for the introduction of residence 2-party line message rate service in lieu of residence 4-party line flat rate service in exchanges in metropolitan areas.

Applicant's proposed rates for extended residence 2-party line message rate service for the heretofore mentioned exchanges are as follows:

<u>Exchange</u>	<u>Approximate Date of Introduction - 1965</u>	<u>Proposed Monthly Rate</u>	<u>Estimated Annual Revenue Effect</u>
Chula Vista	December	\$3.00 - 60	\$ (1,000)
Coronado	April	3.00 - 60	(200)
El Cajon	December	3.00 - 60	1,500
Alpine Special Rate Area		4.50 - 60	
La Jolla	May	3.00 - 60	(300)
La Mesa	December	3.00 - 60	(600)
National City	June	3.00 - 60	(1,000)
Pacific Beach	May	3.00 - 60	(1,600)
San Ysidro	December	3.00 - 60	<u>Negligible</u>
			\$ (3,200)

() Denotes decrease.

Note: The number 60 following the rate designates the exchange message allowance. Each exchange message over the allowance will be charged for at the rate of 4.25 cents.

Applicant estimates that the proposed change in service in said exchanges will result in a decrease of \$3,200 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.

The provision of extended residence 2-party line message rate service will provide a better service to subscribers within said exchanges in that there will be a maximum of 2 subscribers per line rather than 4. This proposed service offering should be attractive to marginal telephone users who desire the least expensive service but object to 4 parties on a line.

The Commission has considered this matter and finds 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; and that public hearing is not necessary; therefore,

IT IS ORDERED that:

1. Applicant is authorized to file in quadruplicate with this Commission after the effective date of this order in conformity with General Order No. 95-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 Chula Vista, Coronado, El Cajon, La Jolla, La Mesa, National City, Pacific Beach, and San Ysidro exchanges.
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 Chula Vista, Coronado, El Cajon, La Jolla, La Mesa, National City, Pacific Beach, and San Ysidro exchanges, and cancel and withdraw the rates applicable thereto.

3. The authority granted herein will expire unless exercised on or before June 30, 1966.

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

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

Frederick B. Holcomb
President

[Signature]

[Signature]

George E. Grover

William A. Bennett
Commissioners