

ORIGINAL

Decision No. 68982

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
Garden Grove and Santa Ana exchanges.

Application No. 47309
(Filed February 3, 1965)

OPINION AND ORDER

By the above-entitled application The Pacific Telephone and Telegraph Company seeks authorization under Section 454 of the Public Utilities Code (1) to file and make effective rates for extended residence 2-party line message rate service in the Garden Grove and Santa Ana exchanges, and (2) to 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 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.

^{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."

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 Increase</u>
Garden Grove	December	\$3.60-60	\$1,000
Santa Ana	December	\$3.60-60	\$1,000
			<u>\$2,000</u>

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 an increase of \$2,000 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 two subscribers per line rather than four. This proposed service offering should be attractive to marginal telephone users who desire the least expensive service but object to four parties on a line.

The Commission has considered this matter and finds that applicant's request is not adverse to the public interest and should be granted; that the increases in rates authorized herein are justified; 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 and in conformity with General Order No. 96-A, the rates for extended residence 2-party line message rate service shown in 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 Garden Grove and Santa Ana 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 Garden Grove and Santa Ana exchanges and to 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 4th day of May, 1965.

Frederick B. Holdoff President
George E. W. ...
George H. ...
August ...
William ... Commissioners