

ORIGINAL

Decision No. 81426

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

TELEPHONE ANSWERING SERVICES
OF CALIFORNIA, INC.,

Complainant,

vs.

THE PACIFIC TELEPHONE AND
TELEGRAPH COMPANY,

Defendant.

Case No. 9497
(Filed January 19, 1973)

Eugene S. Morosoli, Jr., Attorney at Law,
for Telephone Answering Services of
California, Inc., complainant.
Milton J. Morris, Attorney at Law, for The
Pacific Telephone and Telegraph Company,
defendant.
Tibor I. Toczauer, for the Commission staff.

O P I N I O N

Complainant, Telephone Answering Services of California, Inc., alleges that defendant, The Pacific Telephone and Telegraph Company, by Advice Letter No. 10971, issued revised tariff sheets governing the installation of cord-operated Type B telephone answering service equipment. The revised tariffs provide that such equipment, if available for reuse, will be furnished for new installations and additions thereto at the same rates as cord-operated Type A equipment. Previously the tariffs limited the use of such equipment to additions to existing Type B installations. Complainant contends that the filing results in withdrawal of service and increased rates because it substantially diminishes the source of Type B equipment for the answering service offices desiring to expand thereby forcing them to install higher cost Type A equipment. Complainant further alleges that placing this tariff into effect without a showing before this Commission

and a finding by the Commission that the increase is justified constitutes a violation of Section 454 of the Public Utilities Code.^{1/} Complainant therefore requested an order from the Commission to immediately stay the effective date of the revised tariff sheets pending a final decision on the matter and to permanently suspend defendant's revised tariff sheets transmitted by Advice Letter No. 10971.

By Decision No. 80987 dated January 23, 1973 the Commission denied the requests on the basis that defendant was offering a new service under Section 455 of the Code which requires no affirmative Commission action by resolution or otherwise.

Public hearing was held on the other issues before Examiner Johnson on March 27, 1973 in San Francisco, and the matter was submitted on that date. Evidence was presented by complainant through one of the members of Telephone Answering Services of California, Inc. Other parties to the proceeding did not present any testimony but did cross-examine complainant's witness.

The evidence establishes and the Commission finds as follows:

1. Prior to the effective date of the tariffs filed by defendant's Advice Letter No. 10971, cord-operated Type B equipment was permitted to be installed, if available for reuse, only as an addition to existing Type B installations. The average time from ordering such equipment to installation was three to four months.

^{1/} 454.(a) No public utility shall raise any rate or so alter any classification, contract, practice, or rule as to result in any increase in any rate except upon a showing before the Commission and a finding by the Commission that such increase is justified.

2. When a service office with Type B equipment relocated, the tariffs provided that Type A equipment be installed at the new location. Approximately 50 percent of the removed Type B equipment was fit for renovation to serve as a source of supply for additions to existing Type B installations.

3. In August 1972 a telephone answering service customer was unable to get a commitment for Type B equipment to expand his office because all Type B equipment which became available was being set aside for new installations.

4. The tariffs filed by defendant with Advice Letter No. 10971 provided for service to new Type B installations, or additions thereto, at the same rates as Type A equipment. A Type A installation consisting of 80 lines, 15 trunk jacks, and 15 cord-pairs costs \$105.25 a month as compared to \$42 a month for a similar Type B installation.

5. Type A and Type B boards perform similar functions but cannot be used for multiple operation because of differences in the jacks and plugs. In addition the key shelf on Type B boards is four inches higher than Type A boards and the switches are slightly different. These differences could be overcome by the use of suitable adapters.

6. Operators trained on Type B equipment could be retrained for Type A equipment in a very short period.

7. Defendant's offering is a new service not heretofore available and cannot be permitted to be detrimental to defendant's existing Type B installations. Therefore, defendant must remove its presently existing return stock restrictive clauses from its tariffs.

The Commission concludes that the tariffs filed by The Pacific Telephone and Telegraph Company's Advice Letter No. 10971 should be modified to eliminate the restrictive clause that such equipment is available only from return stock.

O R D E R

IT IS ORDERED that within five days after the effective date of this order The Pacific Telephone and Telegraph Company shall file revised tariff sheets to replace revised Schedule Cal. PUC No. 1007, Telephone Answering Service, 32th Revised Sheet 1, 7th Revised Sheet 7-F, and Original Sheets 7-F-1, 2, and 3 to eliminate clauses restricting the availability of Type B equipment to return stock and take steps necessary to assure adequate availability of such equipment. Such filing shall comply with General Order No. 96-A. The effective date of the revised tariffs shall be five days after the date of filing.

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

Dated at San Francisco, California,
this 30th day of MAY, 1973.

Vernon L. Spurgeon
President
William J. Sullivan
Paul J. ...
...
Commissioners