

ORIGINAL

Decision No. 81646

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of General Telephone Company of  
California, a corporation, for  
authority to increase its rates  
and charges for telephone service.

Application No. 49835

ORDER EXTENDING TIME

General Telephone Company of California (General) by petition filed May 21, 1973, and sent to all appearances of record, requests an extension of time to comply with the provision of ordering paragraph 2 of Decision No. 75873 dated July 1, 1969, which provides in pertinent part as follows:

"2. Within the Los Angeles metropolitan area, General Telephone Company of California shall (1) withdraw the offering of business individual line flat rate, business two-party line flat rate, and business PBX trunk flat rate services and substitute therefor individual line message rate and PBX trunk message rate services, (2) withdraw the offering of residence two-party and four-party line flat rate service and substitute therefor individual line message rate service...no later than July 1, 1974."

The "message rate" service which General has been ordered to offer provides for one message unit charge per local call, irrespective of the duration of such call.

On March 28, 1973, General filed Application No. 53935 for an increase in annual revenues of \$59 million. As one of the rate plans in this application, General proposes the introduction of timing of local "message" calls. Under this "timing" concept a message unit charge would apply for the first 5 minutes or less of conversation time of each local call, plus an additional message unit for each 5 minutes or fraction after the initial 5-minute period.

General asserts "...that the addition of the time element in a measured service offering provides for more equitable treatment among measured service customers than does message rate service as presently ordered by the Commission."

In compliance with ordering paragraph 2 of Decision No. 75873, General has commenced plans to engineer and install the equipment necessary to provide the ordered untimed message rate service. The equipment to provide this service can be put into operation by July 1, 1974, as ordered. However, if the operational date were delayed somewhat beyond July 1, 1974, this new measuring equipment can be modified to provide the timed message rate service proposed in General's Application No. 53935. Such modifications could be accomplished by January 1, 1975, or six months after a decision is rendered in Application No. 53935, whichever is later.

In its petition General states that modification of the new "message unit measuring equipment" after converting the service to single unit charging would be costly and would require temporary discontinuation of local message measurements. Since this two-step conversion would be costly and confusing to the users, General requests that the time to comply with Ordering Paragraph 2 of Decision No. 75873 be extended so that, if the timed measurement requested in Application No. 53935 is approved, such costs and confusion can be avoided.

A description of the capabilities of the proposed timing equipment and related costs is contained in correspondence between General and the Commission staff transmitted subsequent to the filing of General's petition. This correspondence is hereby received in evidence as Exhibit No. 1. The information furnished by General indicates that the timing equipment would have the capability of recording charges at different rate levels at off-peak periods through the process of counting usage at 2.5 second scan intervals.

It is estimated that provision of the ordered untimed message rate service will cost approximately \$15.8 million. If the untimed message rate equipment were made operational and then modified to provide timing of local calls, the estimated conversion cost would be approximately \$1,815,000. On the other hand, modification of the equipment prior to cut-over would cost approximately \$442,000. Accordingly, it is estimated that the delay in operational date as requested by the petition herein would save approximately \$1,373,000, which constitutes a very significant cost saving in this program.

#### Findings and Conclusions

1. Implementation of untimed message rate service by the ordered date of July 1, 1974, with a subsequent modification for timing would cost an estimated additional \$1,373,000 and could result in substantial customer confusion due to initiating two different major changes in charging plans within less than a one-year period. ✓

2. It is reasonable to grant the requested delay in the operational date for untimed message rate service in order to provide for efficient modification of equipment so as to be capable of charging on a timed rate basis. ✓

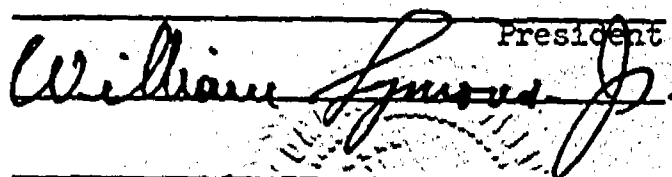
3. No objection has been received to the granting of the modification requested by the petition herein and a public hearing is not necessary. ✓

O R D E R

IT IS ORDERED that ordering paragraph 2 of Decision No. 75873 is modified to change the date of implementation of message rate service from July 1, 1974 to January 1, 1975, or six months after the effective date of a decision in Application No. 53935, whichever is later.

The effective date of this order shall be the date hereof.

Date at San Francisco, California, this 31<sup>st</sup> day of July, 1973.

  
President

  
Commissioners

Commissioner Vernon L. Sturgeon, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.