

ORIGINAL

Decision No. 82077

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

CALIFORNIA HOTEL AND MOTEL  
TELEPHONE COMMITTEE,

Complainant,

vs.

CALIFORNIA INTERSTATE TELEPHONE  
COMPANY, ET AL.,

Defendants.

Case No. 7864  
(Petition for Modification  
filed September 28, 1973)

OPINION AND ORDER

The Pacific Telephone and Telegraph Company (Pacific) has requested this Commission to modify ordering paragraph 1 of Decision No. 69491, as it relates to Appendix A, (2) and (3) of the decision. The decision was issued August 3, 1965, in Case No. 7864 regarding surcharge rates for hotel and motel guest telephone service.

In Appendix A of Decision No. 69491, paragraphs (2) and (3) state the surcharge to be levied on calls made by hotel and motel guests. Paragraph (2) states: "A surcharge of 15 cents for each multi-message unit message or intrastate toll message which is:

- (a) Sent paid and billed to a telephone company credit card.
- (b) Sent paid and billed to telephone service other than the Hotel PBX Service.
- (c) Sent collect."

Paragraph (3) states: "A surcharge of 15 cents plus the tariff charge and federal excise tax for each multi message unit message or intrastate toll message which is:

- (a) Sent paid and billed to Hotel PBX Service.
- (b) Sent paid from a telephone service other than the Hotel PBX Service and billed to the Hotel PBX Service.
- (c) Received collect."

Pacific plans to implement a new program for Traffic Service Position Systems (TSPS) which will permit automatic quotation of time and charges on sent paid and billed to Hotel PBX Service, sent paid from a telephone service other than the Hotel PBX Service and billed to the Hotel PBX Service, and received collect messages. This new program does not have the capability of reporting completion of messages sent paid and billed to a telephone company credit card, messages sent paid and billed to telephone service other than the Hotel PBX service and sent collect messages. If the messages are not reported, there would result a revenue loss to the hotels and motels if equivalent revenue is not otherwise provided.

Pacific has made a study (attached to the petition for modification) of calling volumes of all types by hotel and motel guests. This study indicates that the elimination of the 15 cents surcharge for those messages which could not be reported, and a change in the surcharge from 15 cents to 25 cents for messages sent paid and billed to Hotel PBX Service, messages sent paid from a telephone service other than the Hotel PBX Service and billed to the Hotel PBX Service, and received collect messages would allow the hotels and motels to recover the same revenue, on the average, as they now receive.

Pacific accordingly has requested that paragraph (2) of Appendix A be deleted and that no surcharge be assessed by the hotels and motels for messages sent paid and billed to a telephone company credit card, messages sent paid and billed to telephone service other than the Hotel PBX Service, and sent collect messages. Pacific also has requested that the surcharge quoted in paragraph (3) of Appendix A be increased from 15 cents to 25 cents for sent paid and billed to Hotel PBX Service, sent paid from a telephone service other than the Hotel PBX Service and billed to the Hotel PBX Service, and received collect messages.

The Commission has received the following documents in support of the request which are hereby admitted into evidence as summarized below:

- Exhibit 1 - TSPS Automated Hotel-Motel Service, containing an explanation of the operation of the proposed service and an estimate of the development of the service by hotels and motels served, through 1978.
- Exhibit 2 - Letter from the California Hotel and Motel Association to Mr. G. G. Crane, The Pacific Telephone and Telegraph Company, giving conditional approval to the proposed changes.
- Exhibit 3 - Letter from General Telephone Company of California offering no objection.
- Exhibit 4 - Letter from Continental Telephone Company of California supporting the petition.
- Exhibit 5 - Letter from the California Independent Telephone Association offering no objection.

As noted in Exhibit 1, if the hotel or motel desires to utilize the automatic feature of the service, there will be an additional charge for the "read-out" teletype, currently a \$75 one-time installation charge and \$36.50 per month rate, which should be offset by a saving to the hotel or motel in operator time. If the automatic feature is not desired, there is a provision to continue "voice quote" service at no additional charge. The "Estimated TSPS Hotel/Motel Service" included in Exhibit 1 is also included herein as an appendix.

There is no revenue effect to Pacific or the independent telephone utilities, as the surcharges are collected and retained by the hotels and motels. The California Hotel and Motel Association (Exhibit 2), although giving approval, believes that in the future there may be some revenue loss to the hotels and motels as calling

patterns change to take advantage of the possible savings. The association is also concerned about the possible loss to the hotels and motels on measured local calls (not considered herein) but believes that these matters can be adjusted after additional experience. The independent telephone companies offer no objection.

The Commission finds that granting the petition will result in improved service in the public interest, that a public hearing is not necessary, that such increases in rates and charges as will result are justified, and that, for the future, present rates, insofar as they differ from those herein prescribed, would be unjust and unreasonable; therefore,

IT IS ORDERED that:

1. Ordering Paragraph 1 of Decision No. 69491 is modified to read:

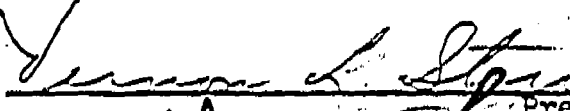
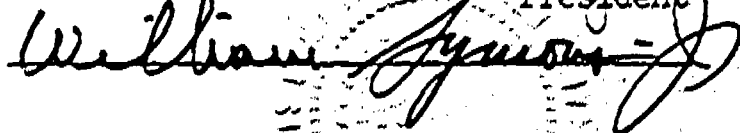

Each of the defendant telephone corporations having on file with this Commission a schedule of rates and conditions applicable to hotel private branch exchange service is authorized and directed to file, in accordance with General Order No. 96-A, the revised schedule of rates and conditions attached to this order as Appendix A except that paragraph (2) of Appendix A shall be deleted and paragraph (3) of Appendix A shall be modified to change "A surcharge of 15 cents" to read "A surcharge of 25 cents".

2. Ordering Paragraph 2 of Decision No. 69491 is modified to change the dates of September 1, 1965 and September 20, 1965 to November 6, 1973 and November 26, 1973, respectively, and to insert the words "as modified by Ordering Paragraph 1 above" after the words "Appendix A, attached hereto."

3. The Commission's Secretary shall mail a copy of this decision to each respondent herein.

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

Dated at San Francisco, California, this 20th day of OCTOBER, 1973.

  
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President  
  
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Commissioners

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

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.

## APPENDIX

ESTIMATED TSPS HOTEL/MOTEL SERVICE

<u>TSPS System Ho/Mo</u>	<u>In Service Date</u>	<u>Hotel/Motels Served - Cumulative</u>					
		<u>73</u>	<u>74</u>	<u>75</u>	<u>76</u>	<u>77</u>	<u>78</u>
San Francisco	11/73	77	210	217	220	223	226
East Bay	6/74	-	52	59	61	63	65
Los Angeles CCU #1	8/74	-	19	40	42	44	46
Los Angeles CCU #2 (Sherman Oaks)	10/74	-	70	73	76	79	82
Los Angeles CCU #3 (Sherman Oaks)	2/75	-	-	72	75	78	81
Reno (California Only)	2/75	-	-	54	57	60	63
Redwood City	1976	-	-	-	30	32	34
San Diego	1976	-	-	-	206	210	214
Anaheim	1976	-	-	-	75	77	79