

ORIGINAL

Decision No. 84260

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE WESTERN UNION
TELEGRAPH COMPANY, a corporation,
for an order authorizing it to
revise certain intrastate rates and
charges applicable to its message
telegraph and other services within
the State of California.

Application No. 54601
(Filed January 28, 1974;
amended December 6, 1974)

O P I N I O N

By this application, applicant The Western Union Telegraph Company^{1/} requests authority to increase rates for its public message and related services and that it be authorized to discontinue the singing greeting service.

According to applicant, its intrastate operations for the 12-month period ended December 31, 1972 showed a loss of approximately \$1.3 million after provision for negative income taxes. After

^{1/} The Western Union Telegraph Company is a corporation engaged in the transaction of telegraph and other services within the State of California and throughout the United States. Applicant is a New York corporation and its principal headquarters is located at Upper Saddle River, New Jersey. It is a subsidiary of Western Union Corporation.

including the effect of known revenue changes and the proposed rate revisions, there remained a loss of \$938,925, or \$450,000 after provision for negative income taxes, excluding any allowance for an estimated \$673,093 increased wage and benefits cost on intrastate California operations resulting from applicant's contracts with its unions.

In its amendment to the application, applicant states that based on its forecast the intrastate California operations for the 12-month period ending December 31, 1974 will produce a loss of approximately \$1.2 million after provision for negative income taxes. After including the effect of known revenue changes and the proposed rate revisions, the 1974 forecast shows a \$262,000 net operating revenue, or less than a 2 percent rate of return.

The following table shows the derivation of the figures shown above:

State of California
Estimated 1974 Intrastate Operating Results
 (With Proposed PMS Rate Increase and Shrinkage)
 Reserve Requirement - Straight-Line Remaining Life

	Total	<u>Private Wire Services</u>			Broad	Telex	Twx	Public
		<u>Total</u>	<u>Circuitry</u>	<u>Equipment</u>	<u>Hotline</u>	<u>Band</u>		<u>Message</u>
								<u>Services</u>
<u>Average Net Invest. Base</u>								
Optg. Plant & Equip.	20,600,000	1,563,000	538,000	1,025,000	2,307,000	298,000	2,590,000	9,901,000
R & D in Progress	61,000	4,000	2,000	2,000	7,000	1,000	14,000	31,000
Material & Supplies	1,004,000	84,000	22,000	62,000	93,000	14,000	146,000	454,000
Working Cash Required	1,377,000	-	-	-	-	-	-	1,377,000
Gross Invest. Base	23,042,000	1,651,000	562,000	1,089,000	2,407,000	313,000	4,158,000	11,763,000
Less: Res. for Depm. & Amort.	6,362,000	418,000	188,000	230,000	830,000	101,000	540,000	2,611,000
Unamortized Install. Charges	3,000	3,000	-	3,000	-	-	-	-
Net Investment Base	16,677,000	1,230,000	374,000	856,000	1,577,000	212,000	2,210,000	9,152,000
Operating Revenues	10,734,000	340,000	129,000	211,000	356,000	10,000	591,000	7,444,000
<u>Operating Rev. Deductions</u>								
Departmental Expenses	6,829,000	142,000	76,000	66,000	141,000	14,000	196,000	5,117,000
General & Admin.	351,000	9,000	4,000	5,000	14,000	2,000	17,000	247,000
Real Estate Expenses	530,000	9,000	3,000	6,000	11,000	1,000	11,000	442,000
Pensions, Benefits, SS Taxes	1,218,000	30,000	11,000	19,000	34,000	4,000	33,000	998,000
Depreciation	1,086,000	101,000	25,000	76,000	130,000	15,000	142,000	454,000
Amortization	163,000	9,000	2,000	7,000	7,000	3,000	4,000	40,000
Miscellaneous Taxes	185,000	15,000	5,000	10,000	25,000	3,000	27,000	77,000
Uncoll. Optg. Revenues	147,000	-	-	-	-	-	-	147,000
Insurance	9,000	1,000	-	1,000	1,000	-	1,000	4,000
Depm. Leases Term	-	-	-	-	-	-	-	-
Total Optg. Rev. Deductions	10,518,000	316,000	126,000	190,000	363,000	42,000	431,000	7,526,000
Net Operating Revenues	216,000	24,000	3,000	21,000	(7,000)	(32,000)	160,000	(82,000)
Income Tax	(46,000)	(7,000)	(3,000)	(4,000)	(29,000)	(20,000)	51,000	(150,000)
Net Income After Taxes	262,000	31,000	6,000	25,000	22,000	(12,000)	109,000	68,000

(Red Figure)

Applicant claims that the separated intrastate operating results demonstrate that its intrastate California public message service is not burdened by applicant's other intrastate California service offerings. Applicant also claims that in-depth econometric analyses of its telegram services indicate that the service is price inelastic and that the proposed rate revisions will result in additional revenues to the company.

Based on its 1974 forecast applicant, on January 21, 1975, filed a "Motion for Ex Parte Order". It seeks the following increases:

Telegrams from \$2.63 plus nine cents per extra word for 16 to 50 words and six cents per word for over 50 words to \$3.75, 12 cents and eight cents, respectively.

Overnight telegrams from \$1.30 for 100 words or less and one cent for each additional word, to \$3.00 and three cents per extra word.

Personal opinion messages to public officials from 90 cents to \$2.00 with telephone acceptance charges for such messages eliminated.

Collect service from 10 to 50 cents per message and message delivery from 75 cents to \$3.00.

Other Charges

Telephone acceptance charges from 5.3 cents per message to 20 cents and messenger pickup from 5.3 cents per message to \$3.00 for all messages picked up in a single call.

Money order service charges increased 33 percent with \$3.00 for delivery service, and money order service without a full rate telegram is discontinued.

Tel(T)ex message service charges increased from \$1.25 to \$3.00 with \$3.00 for delivery service, and confirmation copies of messages accepted by phone from 26.5 cents to 50 cents.

Discontinue the reduction in charges of 10 cents to tieline customers for each message in excess of 25 prepaid messages filed during a billing period.

Applicant requested discontinuance of the "Singing Telegram" by Advice Letter No. 943 dated April 29, 1974. The Commission authorized the discontinuance of "Singing Telegrams" by Resolution No. T-8478 dated May 21, 1974, which became effective June 3, 1974.

An engineer from the Commission's staff conducted an independent study of applicant's request. The results of the engineer's study are contained in a report dated January 6, 1975. The report is received as Exhibit 1. The staff engineer concluded that the estimated rate of return, without elasticity, of 2.5 percent, as indicated in his summary of earnings study, was not unreasonable after conferring with the Finance and Accounts Division, and thus applicant's request would not be opposed by the staff.

The following table from Exhibit 1 shows the figures upon which the staff engineer based his conclusion.

The Western Union Telegraph Company
California Intrastate

SUMMARY OF EARNINGS
Communication Services

Year 1974 Estimated at Proposed Rates
Zero Elasticity

Item	Staff ^{2/}	Company ^{1/2/}	Company Exceeds Staff Amount	Ratio
(Dollars in Thousands)				
<u>Operating Revenues</u>				
Operating Revenues	\$11,990	\$12,291	\$301	2.51%
Less Uncollectibles	<u>174</u>	<u>172</u>	<u>(2)</u>	<u>(1.15)</u>
Total Operating Revenues	11,816	12,119	303	2.56
<u>Operating Expenses</u>				
Departmental	7,499	7,690	191	2.55
General & Administrative	383	392	9	2.35
Real Estate	595	604	9	1.51
Pensions, Benefits, FICA Tax	1,366	1,386	20	1.46
Depreciation	1,149	1,184	35	3.05
Depreciation Adjustment	(51)	-	51	(100.00)
Adjusted Depreciation	1,098	1,184	86	7.83
Amortization	135	170	35	25.93
Miscellaneous Taxes	192	198	6	3.13
Insurance	13	10	(3)	(23.08)
Taxes Based on Income	<u>107</u>	<u>85</u>	<u>(22)</u>	<u>(20.56)</u>
Total Operating Expenses	11,388	11,719	331	2.91
Net Operating Revenues	428	400	(28)	(6.54)
<u>Gross Rate Base</u>	24,389	25,021	632	2.59
Reserve	7,208	7,513	305	4.23
Reserve Adjustment	(245)	-	245	(100.00)
Reserve Adjusted	<u>6,963</u>	<u>7,513</u>	<u>550</u>	<u>7.9</u>
Adjusted Rate Base	17,426	17,508	82	0.47
Rate of Return	2.5%	2.3% ^{3/}	-	(0.2)

(Red Figure)

^{1/} From company's work paper submitted to staff under "Black Cover" and titled "Estimated 1974 Intrastate Operating Results (With proposed PMS rate increase without shrinkage) Western Union Method". Staff added \$99,000 to company operating revenues and the related income tax to adjust miscalculation in company work papers.

^{2/} Does not include Mailgram which company considered wholly interstate.

^{3/} Calculated by staff.

Findings and Conclusion

The Commission finds that:

1. Applicant is in need of additional revenues in the amount of \$1,173,169 and the proposed rates set forth in the application are reasonable.

2. Applicant's 1974 estimates reasonably indicate the results of its operations for the future and are adopted.

3. The increases in rates and charges authorized herein are justified; the rates and charges authorized herein are reasonable; and the present rates and charges, insofar as they differ from those prescribed herein, are for the future unjust and unreasonable.

4. Applicant has been authorized by Commission Resolution to discontinue its singing greeting service; therefore, no action is required in this proceeding.

5. A public hearing is not required.

The Commission concludes that the application should be granted to the extent set forth in the order which follows.

O R D E R

IT IS ORDERED that after the effective date of this order, The Western Union Telegraph Company is authorized to file the revised rate schedules attached to this order as Appendix A, and concurrently to withdraw and cancel the corresponding presently effective schedules. Such filing shall comply with General Order No. 96-A. The effective

date of the revised schedules shall be four days after the date of filing. The revised schedules shall apply only to service rendered on and after the effective date thereof.

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

Dated at San Francisco, California, this 25th
day of MARCH, 1975.

Vernon L. L. L.
President

William L. L.
William L. L.

Leonard R. R.
Commissioners

APPENDIX A
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MESSAGE TELEGRAPH SERVICES

I. PUBLIC MESSAGES

APPLICABILITY

This section contains the basic rates applicable to California intrastate telegraph service.

TERRITORY

Telegram and Overnight Telegram services are available between all Western Union offices in California as shown in the Preliminary Statement of the tariff schedules.

Personal Opinion Message Service is available from all Western Union offices in California as listed in the Preliminary Statement of the tariff schedules.

RATES

(1) Basis of Computing Charges:

The rate for a telegram between any two Western Union points in this State, referred to in the section of this tariff captioned "Preliminary Statement", is dependent upon the number of words in the message. A basic charge applies for 15 words or less in the case of a Telegram and for 100 words or less in the case of an Overnight Telegram. Words in excess of 15 words in the case of a Telegram, and in excess of 100 words in the case of an Overnight Telegram, are charged for at additional word rates. The rates are set forth in (2) following.

(2) Telegram Services:

For 15 words or less	\$3.75
For each additional word between 16 and 50 words12
For each additional word over 50 words08

(3) Overnight Telegram Service:

For 100 words or less	3.00
For each additional word over 100 words03

(4) Additional Charges:

- (a) A charge of 50% applies on each collect message other than a Press message.
- (b) A charge of 20% applies on each prepaid message, other than a Press message, filed with the Utility over telephone company exchange lines or over the Utility's own coin box telephones.

(Continued)

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MESSAGE TELEGRAPH SERVICES

I. PUBLIC MESSAGES

RATES - (Continued)

(4) Additional Charges: (Continued)

(c) A charge of 50% applies for each confirmation copy of a message filed with the Utility by telephone and furnished to the sender by mail upon request.

(d) A charge of \$3.00 applies for the physical delivery of a telegram to an addressee within the established city or community limits of an office or agency of the Utility listed in the Preliminary Statement when the sender specifies that delivery service by messenger be provided.

(e) A pickup charge of \$3.00 applies on one or more messages picked up by the Utility's messenger from a customer on a single call.

(5) Personal Opinion Messages:

For each Personal Opinion Message, a flat rate of \$2.00 applies from any Western Union office in California to Sacramento, California.

(6) Tieline Service:

<u>Equipment</u>	<u>Rate Per Month</u>
Teleprinter, each unit	\$12.00
Telefax or Telephone, each unit	8.00
	<u>Amount Per Month</u>
Minimum billing including message charges, and tieline equipment charges, per tieline	15.00
	<u>Charge</u>
Each relocation of equipment on same premises	7.50

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MESSAGE TELEGRAPH SERVICES

I. PUBLIC MESSAGES

SPECIAL CONDITIONS - (Continued)

8. Tieline Service: (Continued)

f. A nonrecurring charge as set forth in RATES preceding applies for each relocation of a tieline connection in the same premises, when made at the customer's request.

g. Except as otherwise provided in this schedule, the furnishing of tieline connections is subject to a minimum "paid here" telegraph message revenue guarantee for each tieline. The fixed monthly charge provided for in (6) under RATES preceding is credited toward the \$15.00 monthly minimum revenue per tieline, and if this minimum amount is not reached in any monthly billing period, the applicable billing for that month will be at the rate of \$15.00 per tieline.

h. The minimum revenue guarantee provided for in (6) under RATES preceding, is applied on an individual customer basis in each city. For the purpose of applying this regulation, all paid here telegraph message revenue billed to a tieline customer in each city is credited toward the minimum revenue guarantee, whether the message traffic involved is or is not transmitted over the customer's tieline connection or connections. Such revenue includes the paid here revenue on all intra-U.S. telegraph message traffic both intrastate and interstate, also traffic to and from Alaska, Canada, Mexico, and St. Pierre-Miquelon Islands, international overseas and shore-ship traffic, and Commercial News quotation and sports services by message.

i. When fractional monthly billing periods are involved, as in the case of a customer whose tieline is installed or discontinued other than at the beginning or end of a monthly billing period, the fixed monthly charges and revenue guarantee specified in (6) under RATES are prorated as follows:

(Continued)

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MESSAGE TELEGRAPH SERVICESI. PUBLIC MESSAGESSPECIAL CONDITIONS - (Continued)8. Tieline Service: (Continued)

<u>Fractional Period</u>	<u>Tieline Connection</u>		<u>Minimum Revenue Guarantee</u>
	<u>Teleprinter</u>	<u>Other Than Teleprinter</u>	
1-10 days	\$ 4.00	\$2.70	\$ 5.00
11-20 days	8.00	5.40	10.00
Over 20 days	12.00	8.00	15.00

j. The fixed monthly charge and the minimum monthly revenue guarantee are inapplicable in those instances where the tieline connection is also used for and in connection with Telex Service, as set forth in the Utility's Schedule Cal. P.U.C. No. 7-T.

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MESSAGE TELEGRAPH SERVICES

V. RULES

I. ACCEPTANCE OF MESSAGES - (Continued)

C. Point of Origin (Continued)

4. The telegraph rate to be charged on a message telephoned or transmitted by private leased line from one point and recorded or received by an office or agency of the Telegraph Company at another point is that from the recording or receiving point, except that the rate from the point of origin applies when a message is telephoned over a foreign exchange trunk line or over an in-WATS telephone line paid for by the Telegraph Company. The telegraph rate to be charged on a message transmitted by tieline from one point to the Telegraph Company's office or agency at another point is that applicable from the point where the customer is located.

5. A message from a point for which the post office address is that of another point may show as its point of origin the name of such other point.

6. A message filed outside the sender's normal business hours from any point by telephone directly with the Telegraph Company at another point at which the sender maintains an office, place of business, or other establishment where messages are normally sent and received by the sender, may show as its point of origin the name of the city or town at which such message is received by the Telegraph Company, if the sender so requests.

7. Where there are two or more places of the same name in the state, messages filed at such points shall show in the date line the name of the county in which the place of origin is located, except that the name of the county shall not be included in the date line of messages filed at points listed in the Preliminary Statement of these schedules unless included in the filing therein.

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MESSAGE TELEGRAPH SERVICES

V. RULES

I. ACCEPTANCE OF MESSAGES - (Continued)

D. Addresses (Continued)

4. If the sender desires a message delivered or not delivered by telephone, the words "Phone" or "Dlr" should be added after the addressee's name. These words will not be charged for.

5. When messages are directed to post office addresses such as "P.O. Box No. ___", or "R.F.D. No. ___", or "General Delivery", the sender should insert the word "Mail" in the address if delivery through the post office is desired. In the absence of the word "Mail" the destination office will endeavor to deliver the message by telephone and if unsuccessful will then mail the message to the address given. The sender will be advised of the manner of handling only in case he requests and agrees to pay for a report of a delivery. If delivery by messenger is desired, the sender will be required to pay or guarantee delivery charges.

6. When a message is an answer and the sender is unable to give sufficient address, the word "Answer", followed by the word "date" if the message to which it is an answer is of the same date, or the figures indicating the date if it be a back-date message, will be added to the address given provided the sender can supply this information. If the dateline of the message to which it is an answer shows an office-call, this office-call will also be added to the address given. The matter so written in the address will not be charged for. In all such cases the sender of the answer should sign his message with his full name, as it appears in the address of the message to which he is replying (not "John" or "Father", etc.) so as to enable the destination office to identify the message to which it is an answer. If the sender does not sign the answering message with his full name, his name, if available, will be written in and transmitted in the address after the words, "Answer date" or "Answer" followed by a back date, for example, "Answer date Thomas Brown".

7. On a message filed at an hour when it may not be received at destination in time for delivery to be effected before the addressee may have retired for the night, the sender may indicate that prompt delivery is desired on receipt at destination regardless of the hour, by inserting in the address an indicator to that effect, such as "PHONE IMM", "DLR IMM", or "DLR TONIGHT". If the sender indicates that delivery the following morning will be satisfactory, the message will be sent as an overnight message at overnight rates or, if the sender prefers, it will be sent according to the classification under which it is filed with the indicator "AM DLY OK" inserted in the address. Such indicators will be transmitted without extra charge.

8. Messages addressed to inmates of Federal Prisons must, under the regulations of the United States Bureau of Prisons, bear the full name of the addressee and be signed with the full name and address of the sender.

(Continued)

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MESSAGE TELEGRAPH SERVICES

V. RULES

VI. DELIVERY OF MESSAGES - (Continued)

B. Method of Effecting Delivery

1. All messages in the Telegram and Overnight Telegram classifications will be delivered to the addressee or other person authorized to receive the message for the addressee by telephone, by tieline, or by messenger, at the option of the sender. The symbol WUX, FAX, TLX, or TWX should be used to designate tieline delivery, PHONE to designate telephone delivery, and DLR to designate messenger delivery. When the sender does not specify the method of delivery, the Telegraph Company will undertake to deliver the message by tieline or by telephone.

(a) When the sender designates that delivery of this message shall be by tieline or by telephone and the destination office is unable to effectuate such delivery service for one of the following reasons, the message may be delivered by messenger:

(i) When the tieline is inoperative.

(ii) When the telephone is inoperative or when the addressee does not answer the telephone after three delivery attempts.

(iii) When the Telegraph Company's telephone delivery facilities become unduly congested and excessive delays may result if the messages are held for telephone delivery.

(b) When the sender requests delivery by messenger and the addressee is located within the delivery limits of a point listed in the Preliminary Statement, as an office or agency of the Telegraph Company, an additional charge per message, as indicated under RATES, Section I, Public Messages, applies. For delivery by messenger to places beyond the established city or community limits of such points, the additional charge is the amount incurred by the Telegraph Company in effecting such messenger delivery.

(c) Messages destined to points not listed in the Preliminary Statement will be delivered by telephone. However, the sender may, upon request, obtain the delivery of such messages by messenger, in which event the Utility will arrange for such delivery by any available means, and the additional charge is that amount incurred in effecting such messenger delivery. When telephone delivery cannot be made, the message will be mailed, except where the sender pays or guarantees the additional cost incurred in effecting messenger delivery.

(Continued)

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MESSAGE TELEGRAPH SERVICES

V. RULES

VI. DELIVERY OF MESSAGES - (Continued)

B. Method of Effecting Delivery (Continued)

2. Upon authorization of the addressee, morning delivery of messages will be made before the opening hour generally observed by business concerns in the community by placing the messages through a slot in the entrance door or by depositing them in some other designated place on the addressee's premises, or by transmitting them over the addressee's tie-line connection on an unattended basis during the addressee's closed hours. In the case of messages in the overnight classification, such unattended transmission will be made only when the addressee's premises are closed, and the messages so transmitted will not be available to anyone in such premises for attention before the opening hour of the next business day.

3. Normal delivery of messages to business concerns will not be attempted after business hours on weekdays and on weekends or holidays where instructions from the addressee are on file to make other disposition of messages received during the addressee's closed hours.

4. Except as provided in paragraph 2 and 3 preceding, when a message cannot be delivered because the addressee's place of business or residence is closed or because no authorized person can be found to receive the message, a notice will be left at the place of address to the effect that a message for the addressee is at the office of the Utility.

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MESSAGE TELEGRAPH SERVICES

V. RULES

VI. DELIVERY OF MESSAGES - (Continued)

D. Messages Addressed to Persons on Trains,
Motor-Buses, Airplanes, and Boats

1. Messages so addressed shall be prepaid and destined to a regularly scheduled stop.

2. The sender must address the message in care of the transportation company involved, specify the destination point to which the message is to be sent, and include in the address information necessary to locate the addressee, such as the train number, section number, and arrival time.

Example: John Jones, En Route Chicago, Compartment B
Car 92 (or Care Conductor if Pullman reservation not known), Penn Central Train Three due
10:35 a.m., Cleveland, OH.

3. The Utility will attempt delivery to the transportation company at the destination point by messenger only.

4. It is presumed that the practices of the transportation company involved will permit the delivery to it by the Utility of such a message, with the understanding that the transportation company will attempt to effectuate delivery to the addressee.

5. Such messages are accepted at the sender's risk, except as to conditions within the control of the Utility.

6. The additional charge for messenger delivery as indicated under RATES, Section I, Public Messages, shall apply.

(Continued)

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MESSAGE TELEGRAPH SERVICES

V. RULES

VI. DELIVERY OF MESSAGES - (Continued)

J. Messages to Closed Office Points (Continued)

(2) If the addressee cannot be reached by telephone, the office holding the message will instruct the office of origin to ascertain from the sender whether the latter will guarantee the charges involved in making immediate delivery by physical means and, if the sender agrees to pay such charges, an effort will be made to arrange for immediate physical delivery of the message and the cost of such delivery, if not paid by the addressee, will be collected from the sender. If no such guarantee is received, the message will be held for delivery after the reopening of the Utility's office at the point of destination.

2. If a copy of a message delivered through other than the normal channels under the circumstances outlined above is requested by the addressee, it will be delivered either by mail without additional charge, or by messenger as indicated in B.1.(b) preceding. Such a copy will be identified as a duplicate of a message previously delivered and will show the point from which such delivery was made.

3. If attempted delivery during the closed hours of the destination office is unsuccessful, this information, as well as the name of the place from which the attempt was made and the reason for the failure, is included in the message when delivery is finally effected.

K. Improper Messages Addressed to Courts or Judges

A message addressed to a court or judge which shows on its face that it is or may be intended to influence the decision in a matter pending before the court will not be sent out for delivery. Upon receipt of such a message, the clerk of the court, or other suitable officer, will be called by telephone, told that we have a message apparently intended to influence the court's decision in a pending matter and asked for his suggestion as to its disposition. If he requests that the text and signature be read to him or delivery made, this will be done. If delivery is not requested, the message will be filed but the sender need not be notified. In all such cases, whether delivery is made or not, a record should be kept of the conversation with the court clerk, or other official, and what directions are received from him.

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MESSAGE TELEGRAPH SERVICES

V. RULES

VII. MISCELLANEOUS - (Continued)

F. Priority Order of Handling Messages

The use and restoration of service shall be in accordance with Part 64, Subpart D of the Federal Communications Commission's Rules and Regulations, which specifies the priority system for such activities.

(Continued)

APPENDIX A
Page 12 of 15MONEY ORDER SERVICESI. REGULAR MONEY ORDERSAPPLICABILITY

This section contains the rates and conditions applicable to money order service, whereby arrangements are made by telegraph for the payment to a designated payee, usually at a distant point, of a sum of money deposited at an office of the Utility by the sender.

TERRITORY

Service is available between offices operated directly by the Utility.

RATES

The charge for a money order, including the message of instruction to the paying office, is as follows when the money order draft or the money itself is to be called for at the Utility office or agency:

(a) Money Order Charges:

<u>Amount of Order</u>	<u>Charge</u>
\$ 50.00 or less	\$ 4.70
50.01 to \$100.00	5.65
100.01 to 300.00	7.90
300.01 to 500.00	12.25
Each additional \$500.00 or fraction thereof over \$500.00	4.45

A supplementary message may be included in either service, the charge for which is at the additional word rate shown in the tariff schedules.

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MONEY ORDER SERVICES

I. REGULAR MONEY ORDERS

CONDITIONS - (Continued)

3. Payment of Money Orders:

Payment of a money order at the Utility's paying offices is accomplished by notifying the payee to call at the telegraph office or agency, bringing suitable evidence of identity, to receive payment. When specifically requested by the sender, the Utility will undertake messenger delivery of a draft in payment of a money order, except that messenger delivery of a draft is not available at a bank agency.

(a) For the messenger delivery of a money order draft, an additional charge, as indicated in paragraph (4)(d) under RATES, Section I, Public Messages, in Schedule 2-T, Message Telegraph Services, applies.

(b) When the sender has not specified messenger delivery service, and such delivery service is requested by the payee, the Utility will undertake such messenger delivery service at the additional charge specified in paragraph (4)(d) under RATES, Section I, Public Messages, in Schedule 2-T, Message Telegraph Services.

4. Cancellation at Request of Sender:

Cancellation of an order before the time when it would normally be canceled if unpaid, as specified in paragraph 1.(b) above, may be attempted by the originating office on the request of the sender provided the sender pays the Telegram tolls on the necessary service message. Upon receipt of such cancellation notice, the paying office will promptly cancel the order provided it has not already been paid and will notify the originating office accordingly by service message without charge. If the paying office has already delivered the money order, the originating office will be so notified by service message without charge.

5. Restoration of Canceled Orders:

Upon receipt of a cancellation notice on a money order, the sender may, by a request in writing and the payment of tolls on a 15-word Telegram to the paying office, restore the order for a further period of not more than 72 hours (or for not more than five days in the case of orders at immigration stations, or to United States naval vessels).

(Continued)

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TEL(T)EX SERVICE

APPLICABILITY

This schedule contains the rates and conditions applicable to Tel(T)ex Service.

TERRITORY

Tel(T)ex Service is available for intrastate service within this State from all Telex subscriber stations connected to Telex Service exchanges of the Utility in the cities set forth in the Telex Service Schedule 7-T to addresses in the cities listed below:

Beverly Hills
Burlingame
Huntington Park
Los Angeles
Oakland
Palo Alto
Pasadena
Sacramento
San Diego
San Francisco

RATES

The charges applicable to Tel(T)ex Service are determined as follows:

- (a) The usage charges prescribed in paragraph (3)(b) under RATES in the Telex Service Schedule 7-T apply for the Telex call from the Telex subscriber to the Utility's office in the destination city, plus
- (b) A flat charge of \$3.00 for each message transmitted by Telex to the Utility for delivery in the destination city.

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TEL(T)EX SERVICE

CONDITIONS - (Continued)

4. Plain language, abbreviations, code, cipher, and word or character spacings may be used in message texts in any combination permitted by the nature of the Telex subscriber's station equipment. However, message texts which are obscene, profane or defamatory, and those for the purpose of placing a wager will not be accepted, and the provisions with respect thereto contained in paragraphs L.1 and L.7 under ACCEPTANCE OF MESSAGES in the Message Telegraph Services Schedule 2-T will apply.

5. Delivery to the addressees of Tel(T)ex messages will be made by messenger, by tieline, by telephone, at the option of the sender, in the same manner as Telegrams, set forth in paragraphs B.1 and B.2 under DELIVERY OF MESSAGES in the Message Telegraph Services Schedule 2-T.

6. If the Telex subscriber desires a report of delivery of a Tel(T)ex message, the words "REPORT DELIVERY" shall be transmitted by the subscriber immediately after the name of the addressee in the address of such message. The Utility will respond to such request by sending a collect telegram to the Telex subscriber stating the time the Tel(T)ex message was delivered to the addressee.

7. If a message cannot be delivered, the Telex subscriber will be notified of the nondelivery and of the reason therefor. No charge will be made for the advice of nondelivery, but the charges paid by the Telex subscriber for the undelivered message will not be canceled or refunded, unless the Utility's service is found to have been at fault. If nondelivery is due to an incorrect address and the Telex subscriber desires to have delivery made to the correct address, he is required to transmit, at his expense, a new message or a service message giving the new address.