

DEM

Decision No. 16138-

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
MRS. S.K.MORRISON and CARL G.BELL,
for an order authorizing the transfer
from Mrs. S. K. Morrison to Carl G.
Bell of the Colfax Telephone Exchange,
and of Carl G. Bell for order author-
izing him to execute mortgage upon said
property.

Application No. 12523

Lowell, Lowell and Lowell,
by Marshall Z. Lowell, for applicant.

BY THE COMMISSION:

O P I N I O N

Mrs. S. K. Morrison, one of the applicants in this proceeding, asks permission to sell the Colfax Telephone Exchange properties to Carl G. Bell, who asks permission to purchase such properties, to execute a mortgage to secure the payment of a \$2,500.00 note and use \$1,750.00 of the proceeds to pay amounts which he owes to Mrs. S. K. Morrison, and use the balance, \$750.00, to improve and extend the Colfax Telephone Exchange properties.

The testimony shows that Carl G. Bell has been for several years past, and is now, the manager, and in charge of the operations of the Colfax Telephone Exchange. According to the record, the telephone properties consist of a switchboard, approximately 60 miles of wire and about 180 poles. One hundred and seventy-six subscribers are directly connected with the telephone system. The value of the telephone properties is reported at about \$9,000. According to the testimony of Carl G. Bell it is necessary that the telephone exchange be equipped with additional switchboard facili-

ties which will cost approximately \$900. and that about 300 feet of cable should be acquired and installed.

It appears that the Central Bank of California has agreed to loan Carl G. Bell \$2,500. to be represented by a note payable on or before two years after date, with interest at the rate of seven percent per annum, said note to be secured by a chattel mortgage, the lien of which will cover all of the telephone properties commonly referred to as the Colfax Telephone Exchange. A copy of the chattel mortgage has been filed as applicant's Exhibit No. 1 and a copy of the note as applicant's Exhibit No. 2. Both the note and mortgage are in satisfactory form.

At the hearing applicants amended their application and in this application as amended Carl G. Bell asks permission to file new rules and regulations governing telephone service. These rules which he desires to file are similar to rules and regulations now in effect in most of the telephone companies throughout the State. There appears to be no reason why such rules and regulations should not become effective.

ORDER

Mrs. S. K. Morrison having applied to the Railroad Commission for permission to sell public utility telephone properties to Carl G. Bell and Carl G. Bell having asked permission to acquire such properties, to execute a chattel mortgage and issue a note and to file new rules and regulations, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that this application should be

granted as herein provided, and that the money, property or labor to be procured or paid for by the issue of the note herein authorized, is reasonably required by Carl G. Bell and that the expenditures herein permitted are not in whole or in part reasonably chargeable to operating expenses, or income,

IT IS HEREBY ORDERED that Mrs. S. K. Morrison be, and she is hereby, authorized to sell and transfer to Carl G. Bell the telephone properties referred to in this application.

IT IS HEREBY FURTHER ORDERED that Carl G. Bell, be, and he is hereby, authorized to acquire said properties, to issue a note for \$2,500. payable on or before two years after date with interest at the rate of seven percent per annum and to execute a chattel mortgage substantially in the same form as the mortgage filed in this proceeding and marked "Exhibit No. 1" to secure the payment of said note, provided the authority herein granted to execute said mortgage is for the purpose of this proceeding only, and is granted insofar as this Commission has jurisdiction under the terms of the Public Utilities Act, and is not intended as an approval of said mortgage as to such other legal requirements to which said mortgage may be subject.

The authority herein granted is subject to further conditions as follows:-

1. Of the proceeds obtained through the issue of the note by Carl G. Bell, \$1,750. shall be used by him to pay the amount he owes Mrs. S. K. Morrison for the telephone properties which he is herein authorized

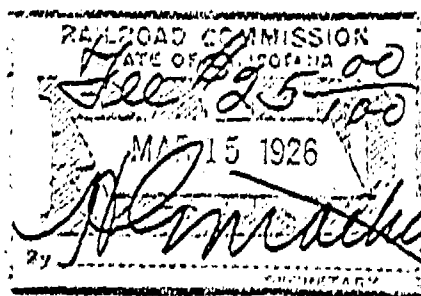
to acquire from her and \$750.00 shall be used to acquire and install a new switch-board and other telephone properties.

2. The authority herein granted will not become effective until Carl G. Bell has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.

3. Carl G. Bell shall keep such record of the issue, sale and delivery of the note herein authorized and of the disposition of the proceeds as will enable him to file on or before the 25th day of each month a verified report, as required by the Railroad Commission's General Order No. 24, which order insofar as applicable, is made a part of this order.

IT IS HEREBY FURTHER ORDERED that Carl G. Bell file with this Commission, not later than 30 days subsequent to date of acquisition of properties above referred to, Definitions, Rules and Regulations governing telephone service similar to those Definitions, Rules and Regulations contained in this Commission's Decision No. 13478 as may be approved by this Commission.

DATED at San Francisco, California, this 11th day of March, 1926.



Handwritten signatures and initials:
J. B. ...
C. ...
E. ...

Commissioners.