

Decision No. 17955

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 THE PACIFIC TELEPHONE AND TELEGRAPH)
 COMPANY)
 for an order authorizing the purchase)
 of all of the capital stock of)
 Turlock Home Telephone and Telegraph)
 Company and for the transfer of the)
 property of Turlock Home Telephone)
 and Telegraph Company to The Pacific)
 Telephone and Telegraph Company, and)
 authorizing the Turlock Company to)
 retire from the telephone business)
 and authorizing The Pacific Company)
 to enter the territory involved and)
 assume the obligations of rendering)
 telephone service therein.)

Application No. 13267.

BY THE COMMISSION:

FIRST SUPPLEMENTAL ORDER

In the original petition filed in the above entitled matter on October 22, 1926, it was reported to the Commission that under date of August 11, 1926, the holders of all of the outstanding stock of Turlock Home Telephone and Telegraph Company had granted to The Pacific Telephone and Telegraph Company an option to purchase such stock for \$100,000.00, payable in cash. The Commission was asked to authorize The Pacific Telephone and Telegraph Company to purchase such stock and thereafter to authorize Turlock Home Telephone and Telegraph Company, upon the payment of the nominal consideration of One (\$1.00) Dollar to transfer the

properties comprising its system to The Pacific Telephone and Telegraph Company. These requests were granted by the Commission by Decision No. 17747, dated December 11, 1926.

The companies now report, in a supplemental petition filed in this matter on January 27, 1927, that they have rescinded and cancelled the agreement of August 11, 1926, and have entered into a new agreement for the purchase and sale of the properties of Turlock Home Telephone and Telegraph Company. The new agreement, a copy of which is filed with the supplemental petition as Exhibit "B", is dated January 17, 1927, and provides for the transfer of the properties, free and clear of all liens, encumbrances and indebtedness, in consideration for the payment of \$100,000.00 in cash. The Commission is asked to modify the former order so as to set aside the authority granted The Pacific Telephone and Telegraph Company to purchase capital stock and to authorize the transfer of the properties in accordance with the terms of the new agreement.

We have given consideration to this request and believe it should be granted, as herein provided, therefore,

IT IS HEREBY ORDERED that the order in Decision No. 17747, dated December 11, 1926, be, and it hereby is, vacated and set aside.

IT IS HEREBY FURTHER ORDERED that Turlock Home Telephone and Telegraph Company be, and it hereby is, authorized to sell and transfer all of its properties free and clear of all liens, encumbrances and indebtedness to The Pacific Telephone and Telegraph Company, under the terms and conditions set forth in the agreement dated January 17, 1927, and upon such sale and transfer, to cease furnishing and supplying telephone and telegraph service in the territory in which it now operates.

IT IS HEREBY FURTHER ORDERED that The Pacific Telephone and Telegraph Company be, and it hereby is, authorized to purchase and acquire the properties of Turlock Home Telephone and Telegraph Company and, upon acquiring such properties, to engage in a telephone and telegraph business in the territory now served by Turlock Home Telephone and Telegraph Company under the rates, rules and regulations heretofore filed by Turlock Home Telephone and Telegraph Company with the Railroad Commission.

The authority herein granted is subject to the following conditions:-

1. The consideration of \$100,000.00 being paid by The Pacific Telephone and Telegraph Company shall not be urged as a measure of the value of the properties to be acquired from Turlock Home Telephone and Telegraph Company for any purpose other than the transfer herein authorized.
2. The Commission, in making the order herein reserves the right to determine in this or in any subsequent proceeding, the amount of the purchase price that may be charged to capital account and capitalized through the issue of securities by The Pacific Telephone and Telegraph Company.
3. The Pacific Telephone and Telegraph Company within thirty (30) days after the acquisition of the properties of Turlock Home Telephone and Telegraph Company shall file with the Commission a certified copy of the deed or

bill of sale or other instrument of conveyance under which it acquires and holds title to said properties.

DATED at San Francisco, California, this 4th
day of ~~January~~ February 1927.

Ernest
H. Brundige
C. Lewis
Leon Whitt
Thos. R. Pettit

Commissioners.