

Decision No. 21144.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of J. R. Fort, doing business under the name and style of Coast Telephone Company and The Pacific Telephone and Telegraph Company, a corporation, for an order authorizing the Coast Telephone Company to sell to The Pacific Telephone and Telegraph Company all of its telephone property in and adjacent to Cambria, Cayucos and Morro Bay, San Luis Obispo County, California and The Pacific Telephone and Telegraph Company to purchase and acquire the same.

ORIGINAL

Application No. 15,324.

James G. Marshall,
for Applicant.

BY THE COMMISSION:

O P I N I O N

In this proceeding, J. R. Fort, doing business under the fictitious name and title of Coast Telephone Company joins with The Pacific Telephone and Telegraph Company in requesting the Railroad Commission to authorize Coast Telephone Company to sell all its telephone properties in Cambria, Cayucos and Morro Bay and vicinities all in San Luis Obispo County, California, to The Pacific Telephone and Telegraph Company.

A public hearing in this application was held before Examiner Gannon in San Luis Obispo on May 10, 1929, when the matter was submitted for decision.

Applicant, J. R. Fort, operates three telephone exchanges with central offices located in the towns of Cambria, Cayucos and Morro Bay, at which points, connections are had with the

lines of the Pacific Company for service to and from outside points and for interexchange service among these exchanges.

J. R. Fort, owner of Coast Telephone Company, testified that One Hundred Thirty (130) telephone stations were served from the Cambria Exchange, Seventy-four (74) stations from Cayucos Exchange and Sixty-four (64) stations from Morro Bay Exchange. The Cambria and Cayucos Exchanges were purchased by him some years ago and the Morro Bay Exchange was formed from a part of the Cayucos Exchange.

Mr. Fort gave as his reason for desiring to dispose of this property that he was not an experienced telephone man and was not competent to meet the increasing requirements of the business as to technical skill and financial resources. He considered the transfer price of Twenty-Seven Thousand Five Hundred Dollars (27,500) as agreed upon, to be reasonable to both parties. He has taken One Hundred (100) Dollars from the business as salary each month up to and including February, 1929, when he increased his monthly salary to One Hundred and Fifty (150) Dollars. He stated that he considered the Pacific Company to be the logical buyer and operator of the property to be transferred.

Henry C. Currier, witness for Pacific Company in giving testimony as to value of the property to be transferred, stated that he estimated its structural value as Twenty-seven Thousand Eight Hundred Eighty-seven (27,887) Dollars which is in excess of the transfer price.

W. J. Dodge, witness for Pacific Company, testified as to service conditions in the territory under consideration and stated that no modification of rates is contemplated or change in service planned except that improvements will be made as required. The operations of the property will be supervised from the San Luis Obispo office of the Pacific Company.

No objection to the transfer of this property as requested was made at the hearing and it appears that the authority requested should be granted.

O R D E R

J. R. Fort, doing business under the name and style of Coast Telephone Company and The Pacific Telephone and Telegraph Company having requested an order authorizing the transfer of certain telephone properties from the former to the latter, a public hearing having been held, the matter having been submitted and now being ready for decision:

The Railroad Commission of the State of California hereby finds as a fact that the interests of the public will be conserved by the granting of the request of applicants ,

Basing its order on the foregoing finding of fact and such other findings of fact as are contained in the opinion preceding this order:

IT IS HEREBY ORDERED that J. R. Fort be and he is hereby authorized to sell and The Pacific Telephone and Telegraph Company be and it is hereby authorized to purchase the telephone properties pertaining to the Cambria, Cayucos and Morro Bay Exchanges on or before S e p t e m b e r 1, 1929, provided:

1. The Pacific Telephone and Telegraph Company shall file a certified copy of deed or instrument of transfer, by which it secures title to said properties, within thirty (30) days after such instrument is executed.

2. The consideration of Twenty-seven Thousand and Five Hundred (27,500) Dollars plus the cost of additions between September 24, 1928, and the date of transfer, for which said

properties are herein authorized to be transferred, shall not be considered nor urged before the Railroad Commission of the State of California as a measure of value of said properties for any purpose other than the transfer herein authorized.

IT IS HEREBY FURTHER ORDERED that The Pacific Telephone and Telegraph Company, on and after the date on which it acquires the telephone properties herein referred to, shall render telephone and telegraph service in the territory now served by Coast Telephone Company in accordance with the rates and tariffs and rules and regulations now filed and effective therefor.

IT IS HEREBY FURTHER ORDERED that The Pacific Telephone and Telegraph Company shall file with the Railroad Commission of the State of California rates, tariffs and rules and regulations governing telephone service in the Cambria, Cayucos and Morro Bay Exchanges on or before the date of the transfer of the properties herein authorized to be transferred.

IT IS HEREBY FURTHER ORDERED that J. R. Fort be and he is hereby authorized to discontinue the furnishing of telephone and telegraph service in the area now served by Coast Telephone Company on and after the transfer of these properties.

For all other purposes the effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 24th day of

May, 1929.

Paul D. Loretto

W. J. ...

W. J. ...

W. J. ...
Commissioners.