

ORIGINAL

Decision No. 21989.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of The Merquin Telephone and Electric Light Company, a corporation, and The Pacific Telephone and Telegraph Company, a corporation, for an order authorizing The Merquin Telephone and Electric Light Company to sell to The Pacific Telephone and Telegraph Company all of its telephone property in the territory known as Stevinson Colony, Merced County, California, and The Pacific Telephone and Telegraph Company to purchase and acquire the same, and to publish, file and make effective rates for exchange, interexchange and telegraph service.

Application No. 16131.

H. K. Landram, for applicant, The Merquin Telephone and Electric Light Company.
James G. Marshall, for applicant, The Pacific Telephone and Telegraph Company.

BY THE COMMISSION:

O P I N I O N

This is a joint application of The Pacific Telephone and Telegraph Company and The Merquin Telephone and Electric Light Company, hereinafter referred to as Pacific Company and Merquin Company, in which authority is asked to transfer, from the latter to the former, the ownership in a certain telephone property located in the territory known as Stevinson Colony, Merced County, California.

A public hearing was held in this proceeding before Examiner Williams in Turlock, California, on December 27, 1929, at which place

and time the matter was submitted for decision.

Merquin Company renders telephone service in a territory of about thirty square miles extent, located approximately eleven miles south of the City of Turlock, California. Merquin Company operates a central office switchboard in Stevinson and furnishes, in addition to local switching service between stations in the Colony, facilities to provide a connection between its switchboard and that of the Pacific Company in Turlock. By means of the latter connection, switching service between Merquin Company's stations and stations of subscribers in the Pacific Company's Turlock Exchange is made available. Merquin Company pays Pacific Company for the switching at Pacific Company's switchboard on an annual basis, but makes no charges for this service to its subscribers other than the regular monthly rental rates. All toll charges for messages originating at Merquin Company's stations to points other than Turlock are billed to Merquin Company by Pacific Company at the rates applicable to Turlock.

J. E. Dugain, President of Merquin Company, testified that it was the desire of his Company to retire from the telephone business and that it would be willing to transfer all of its telephone property to Pacific Company for a consideration of \$3,000.00, plus the cost of additions made between June 29, 1929, and the date of transfer. Mr. Dugain stated that, although his Company was incorporated under the name of Merquin Telephone and Electric Light Company, no electric light or power lines were ever owned or operated by it.

W. J. Dodge, testifying for Pacific Company, stated that his Company was ready and willing to purchase the telephone property

of Merquin Company, and that, if authority for the transfer as asked is granted, Pacific Company will include the territory now served by Merquin Company in its Turlock Exchange Area and would provide service therein at its regular filed rates for Turlock Exchange telephone service. The proposed rates are materially lower than those now in effect for similar service. Pacific Company will spend approximately \$11,000.00 for reconstruction work to provide service in this territory, but no line extension charges will be made against applicants who now may be served from existing lines. No change in interexchange telephone or telegraph rates is proposed.

No protest was presented to the granting of this application.

After giving consideration to all of the evidence presented in this proceeding, we are of the opinion that the interests of subscribers to telephone service in the Stevinson Colony and of the public generally will be benefitted by the transfer of the telephone property of Merquin Company to Pacific Company, the abandonment of all telephone utility operations by Merquin Company; and, also, the inclusion of the territory now served by Merquin Company in the Turlock Exchange Area of Pacific Company, with rates for telephone service therein as now applicable to the Turlock Exchange.

O R D E R

Merquin Telephone and Electric Light Company having asked the Railroad Commission for authority to sell its telephone property in Stevinson and vicinity, Merced County, and to withdraw from the telephone business, and The Pacific Telephone and Telegraph Company

having asked authority to purchase said property for \$3,000.00 plus cost of additions from June 29, 1929, to the date of transfer, and to furnish telephone service in Stevinson at its filed Turlock Exchange rates, a public hearing having been held, the matter having been submitted and being now ready for decision,

The Railroad Commission hereby finds as a fact that the interests of the public will be served by the granting of this application and, 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 as follows:

(1) Merquin Telephone and Electric Light Company may sell and transfer, on or before July 1, 1930, all of its telephone properties described in Exhibit "A" of the application herein, to The Pacific Telephone and Telegraph Company for the sum of \$3,000.00, plus the cost of additions and betterments from June 29, 1929, to the date of the transfer of the properties.

(2) As of the date of the transfer of said properties and the beginning of their operation by The Pacific Telephone and Telegraph Company, Merquin Telephone and Electric Light Company shall withdraw from public utility telephone business and the rates and tariffs for telephone service of the latter company shall be cancelled as of that date.

(3) The Pacific Telephone and Telegraph Company shall within thirty (30) days after the execution of the deed or instrument of conveyance under which it acquires and holds title to said properties, file with this Commission a certified copy of such deed or instrument of conveyance.

(4) The authority herein granted to transfer the afore-

said properties is upon the condition that the consideration paid for such properties shall not be urged before the Railroad Commission of the State of California as a measure of the value of said properties for any purpose other than the transfer herein authorized.

(5) The Pacific Telephone and Telegraph Company shall, on and after the date it acquires the aforesaid properties, operate the same and make effective, in the territory served by said properties, the rates for local exchange telephone service which are in effect for similar service in its Turlock Exchange, and such other exchange telephone rates and rules and regulations as may be approved by the Railroad Commission.

(6) The Pacific Telephone and Telegraph Company shall submit for filing, not later than ten (10) days before the acquisition of the aforesaid properties, a map of the Turlock Exchange Area revised to include Stevinson Colony as shown in "proposed exchange area" on map in Exhibit "G," attached to the application in this proceeding.

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 24 day of January, 1930.

Paul D. Lott
Ch. Seaver
Francis Scott
Leon Whitney
W. J. Van
Commissioners.