

LBM

Decision No. 23633.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
G. A. BANDY and J. A. GREEN,)
for permission to sell and mortgage)
public utility properties.)

Application No. 17280

ORIGINAL

Britten and Brittan, by M. G. Brittan,
for applicants.

BY THE COMMISSION:

OPINION

G. W. Bandy, the owner of the telephone properties to which reference will be made hereafter, asks permission to sell such properties to J. A. Green for \$5,000.00. J. A. Green asks authority to acquire and operate the telephone properties now owned by G. W. Bandy; to issue a \$3,800.00 note in part payment for the properties and to execute a mortgage to secure the payment of said note.

G. W. Bandy's telephone properties serve two separate areas in Kern and Tulare Counties. One area known as his eastern division comprises Kernville, Isabella, Weldon and Onyx. His lines in this division connect with those of The Pacific Telephone and Telegraph Company lines at Isabella and at Kernville. The area known as the western division comprises White River, Glenville, Jack Ranch, Woody, Cota Ranch, A. S. Kinkle's Grove and Hill Brothers Grove. The lines in the western division connect with those

of The Pacific Telephone and Telegraph Company at Porterville. The two divisions are not inter-connected. A detailed inventory and appraisal of his properties is filed in this proceeding as Exhibit "A". The estimated cost of his telephone properties less depreciation is reported at \$5,897.14. His 1930 annual report filed with the Commission shows that he has 54 telephone subscribers. His revenues for 1930 are reported at \$1,209.43.

G. W. Bandy desires to withdraw from the telephone business so that he can engage in some activities which will not require him to reside in the mountainous districts where his properties are located. He has agreed to sell his telephone properties for \$5,000. to J. A. Green who now owns and operates a telephone system at McFarland. J. A. Green will pay \$1,200.00 of the purchase price upon the approval of the sale of the properties by the Railroad Commission. The balance of the purchase price (\$3,800.00) is to be represented by a note payable as follows: \$300.00 on January 1, 1932 and \$1,000. on the first day of January during each and every year thereafter until the entire purchase price has been paid. The deferred payments are to bear interest at the rate of eight percent per annum. The payment of the \$3,800.00 is to be secured by a mortgage which will be a lien on the properties which J. A. Green proposes to acquire from G. W. Bandy.

It is expected, of course, that if J. A. Green acquires the telephone properties of G. W. Bandy that he will operate the same in conformity with the provisions of the Public Utilities Act and the Commission's decisions and general orders, and that he will continue to charge the rates now filed by G. W. Bandy until such time as the Commission authorizes a change in said rates.

ORDER

G. W. Bandy, having asked permission to sell his telephone properties to J. A. Green, a public hearing having been held before

Examiner Fankhauser and the Commission having considered the requests of applicants and being of the opinion that such requests should be granted subject to the provisions of this order, and that the money, property or labor to be procured or paid for by the issue of a note for \$3,800.00 by J. A. Green, is reasonably required for the purpose herein stated, therefore,

IT IS HEREBY ORDERED as follows:

1. G. W. Bandy may, on and after the effective date hereof and prior to July 1, 1931, sell his telephone properties described in Exhibit "A" filed in this proceeding, to J. A. Green, who is hereby authorized to acquire and operate the same.
2. J. A. Green may, on and after the effective date hereof and prior to July 1, 1931, issue a note for the principal sum of not exceeding \$3,800.00, such note to bear interest at the rate of not exceeding eight per cent per annum and to be payable, as indicated in the foregoing opinion and in Exhibit "E" filed in this proceeding.
3. J. A. Green may, on and after the effective date hereof and prior to July 1, 1931, execute a mortgage substantially in the same form as the mortgage filed in this proceeding as Exhibit "E", provided that the authority herein granted to execute such 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.

4. The authority herein granted shall become effective when J. A. Green has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is Twenty-five (\$25.00) Dollars.
5. Within thirty days after the transfer of the properties herein authorized, J. A. Green shall file with the Commission a statement showing the date on which he acquired the aforesaid properties, together with a statement showing the date on which he issued the note and executed the mortgage herein authorized to be issued and executed.
6. The consideration which J. A. Green has agreed to pay for the aforesaid telephone properties shall not be considered as determining the value of said properties for any purpose other than the transfer herein authorized.

DATED at San Francisco, California, this 27th day of April, 1931.

C. Deane
Leon Whittell
M. J. Con
M. B. Harris
Frederic G. Stewart
Commissioners.

Fee \$ ⁰⁰ 25 / ⁰⁰ 100
PUBLIC UTILITIES COMMISSION
of the State of California
APR 27 1931
J. A. Green
Fee # 20118