

ORIGINAL

Decision No. 3780

Decision No. _____

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

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In the matter of the application
of THE HUGHSON TELEPHONE COMPANY,
a corporation, for order author-
izing it to sell to THE PACIFIC
TELEPHONE AND TELEGRAPH COMPANY
all of its telephone property in and
adjacent to Hughson, Stanislaus
County, California, and of THE
PACIFIC TELEPHONE AND TELEGRAPH
COMPANY to purchase and acquire the
same.

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) Application No. 2516.
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F. M. Wickizer for The Hughson
Telephone Company.
J. W. Gilkyson for The Pacific
Telephone & Telegraph
Company.

BY THE COMMISSION:

O P I N I O N.

THE HUGHSON TELEPHONE COMPANY applies for
authority to sell and The Pacific Telephone and Telegraph
Company applies for authority to purchase the telephone
and telegraph system of the former serving the unincor-
porated town of Hughson and vicinity in Stanislaus Coun-
ty for the agreed purchase price of \$7800 cash, which
has been deposited in escrow. The Pacific Company pro-
poses to operate the plant in connection with and as
part of its system.

The Hughson Telephone Company is a cor-
poration organized under the laws of California July 22,
1912, with a capital stock of \$5000 divided into 5000
shares of the par value of \$1.00 each, all issued and now

outstanding.

Its annual reports for 1914 and 1915 show a net loss in operation of \$57.45 as follows:

	<u>1914</u>	<u>1915</u>
Operating revenues	\$2423.94	\$2511.20
Maintenance and operation expense	2350.91	2641.68
Net operating profit	\$ 73.03 *	\$ 130.48

*Loss

The present value of the property is stated in the application as \$10,040.10, which the testimony shows is the result of a detailed appraisement by the Pacific Company's engineers made after the sale price had been agreed upon. The appraisement was not offered in evidence. The Commission's engineers have not checked the estimate nor appraised the property.

The Hughson Telephone Company has a permit from the Board of Supervisors of Stanislaus County dated July 10, 1912, reading as follows:

"That the Hughson Telephone Company be and they are hereby granted permission to erect, construct, and maintain such telephone lines along the streets and alleys of the town of Hughson, and along the public highways within an approximate distance of four miles of said town. It is further ordered that the said telephone lines be constructed and maintained in accordance with the ordinance herein."

ORDER

THE HUGESON TELEPHONE COMPANY having

applied to the Railroad Commission for authority to sell and THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY having applied to the Railroad Commission for authority to purchase the telephone exchange and system of the former, serving the inhabitants of the town of Hughson and vicinity in Stanislaus County, including its permit, privilege or franchise to use the streets, alleys and highways, and a public hearing having been held thereon,

IT IS HEREBY ORDERED that The Hughson Telephone Company be and it is hereby authorized to sell and The Pacific Telephone & Telegraph Company be and it is hereby authorized to purchase for the sum of \$7800 cash, all of the property comprising the telephone system owned and operated by said The Hughson Telephone Company in and about the town of Hughson, Stanislaus County, including its real estate described as lot 17, block 12 of the Town of Hughson as per recorded official map thereof, and any and all of its permits, privileges or franchises to use the streets, alleys and highways for its purposes.

The authority hereby granted is upon the following conditions and not otherwise, to-wit:

1. The authority hereby granted shall not be considered before this Commission or any other tribunal as determining the value of the said property for the purpose of fixing rates or for any other purpose than that of the present application.

2. The authority hereby granted shall apply only to such property as shall have been hereafter conveyed on or before November 1, 1916.

3. Within ten days after receiving conveyance of said property, The Pacific Telephone and Telegraph Company shall file with the Railroad Commission a copy of said deed together with a statement of the consideration actually paid by it for the land, property and rights conveyed to it.

4. Until the further order of the Commission, The Pacific Telephone & Telegraph Company shall maintain the present rates and service of The Hughson Telephone Company.

5. The authority herein granted shall not become effective until The Pacific Telephone & Telegraph Company shall first have filed with the Railroad Commission a stipulation duly authorized by its Board of Directors declaring that The Pacific Telephone & Telegraph Company, its successors and assigns will never claim before the Railroad Commission or any court or other public body a value for the rights, permits, privileges and franchises to use the streets, alleys and highways in and around the town of Hughson whether claimed under permit issued to the Hughson Telephone Company by the Board of Supervisors of Stanislaus County dated July 10, 1912, or claimed under Section 536 of the Civil Code of California, or otherwise, in excess of the actual cost to The Hughson Telephone --- Company of acquiring said rights, permits, privileges and franchises, which said cost is to be stated in said stipulation; nor until The Pacific Telephone & Telegraph Company shall have received from the Railroad Commission a supplemental order declaring that

such stipulation in form satisfactory to the Railroad Commission has been filed with the Railroad Commission.

7th Dated at San Francisco, California, this
day of October, 1916.

Max Thelen

Max Gordon

Edwin O. Edgerton

Franz R. Doherty
Commissioners.