

Decision No. 5639

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
The Pacific Telephone and Telegraph
Company for authority to sell prop-
erty to Oxnard Home Telephone Company,
and to withdraw from the telephone
business, and of Oxnard Home Tele-
phone Company for authority to ac-
quire property from The Pacific Tele-
phone and Telegraph Company, to issue
bonds and to issue its note.

Application No. 3826.

H. D. Pillsbury and James T. Shaw for
The Pacific Telephone and Telegraph Company.

Charles F. Blackstock for Oxnard Home Tele-
phone Company.

GORDON, COMMISSIONER.

O P I N I O N

This is an application seeking the authority of the Rail-
road Commission for the consolidation of two/^{competing} telephone systems now
in operation in the City of Oxnard and vicinity. The Pacific Tele-
phone and Telegraph Company and Oxnard Home Telephone Company are
the companies now operating these competing systems.

The Pacific Telephone and Telegraph Company desires to
sell to Oxnard Home Telephone Company its property consisting of
plant and equipment (exclusive of certain items thereof), and Ox-
nard Home Telephone Company desires to purchase and acquire the
same for the sum of \$23,159.79. Oxnard Home Telephone Company
also desires authority to issue its bonds of the par value of
\$9,000.00 now in its treasury in payment of \$8,100.00 of the pur-
chase price, and to issue its two year, six per cent. promissory
note in payment of the balance of \$15,059.79 of the purchase price.

If authority to sell and transfer said property is granted, it is the plan of The Pacific Telephone and Telegraph Company to withdraw from the operation of the telephone system in said city and territory tributary thereto.

The rates at present in effect over the two competing systems are not the same for like service in all cases. In order to avoid discrimination in rates which would otherwise exist if consolidation were authorized, Oxnard Home Telephone Company asks that reasonable rates be authorized for the service and conditions thereafter pertaining.

A hearing was held in the City of Oxnard on July 12th, no one appearing in opposition to the application for authority to consolidate. The conditions attendant upon the operation of competing telephone systems in this instance are so similar to those existing in other localities where consolidation has recently been authorized by this Commission that it seems unnecessary to again review them here.

There is not sufficient evidence before the Commission upon which a proper determination may be reached as to the value of the plant to be sold and transferred or to determine the total property value of Oxnard Home Telephone Company upon which proposed and existing issues of securities are dependent, or as to earnings reasonably to be expected after consolidation.

I accordingly recommend that an order be made authorizing the consolidation of these two telephone systems and leaving for a subsequent supplemental order the fixing of the terms and conditions upon which such consolidation shall be made.

ORDER

Application therefor having been made by The Pacific Telephone and Telegraph Company and Oxnard Home Telephone Company, and

a public hearing having been had,

IT IS HEREBY ORDERED by the Railroad Commission of the State of California that The Pacific Telephone and Telegraph Company be and it is hereby authorized to sell to Oxnard Home Telephone Company all that certain real and personal property located in the City of Oxnard and territory tributary thereto now being used by said The Pacific Telephone and Telegraph Company in the conduct of a telephone business, as more particularly described in Exhibit "A" and Exhibit No. 1 on file herein.

Oxnard Home Telephone Company is hereby authorized to purchase said above described property and to consolidate said property with its telephone system now being operated in the City of Oxnard and territory tributary thereto.

PROVIDED, however, that before said sale is consummated a supplemental order herein shall be made by this Commission fixing all of the terms and conditions of such sale and fixing the amount of bonds and notes which may be issued by Oxnard Home Telephone Company, and the details and conditions of such issue.

IT IS HEREBY FURTHER ORDERED that The Pacific Telephone and Telegraph Company is hereby authorized to withdraw from the telephone business in the City of Oxnard and in the territory tributary thereto.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 29th day of July, 1918.

Edwin O. Edgerton
H. D. Loveland
W. G. Gordon

Commissioners.