

Decision No. 322923

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of U. B. McGUIRE, doing business)
as Farmington Telephone Company)
for permission to sell and withdraw)
from the telephone business, and)
JAY G. GROVER and EUNICE V. GROVER)
to purchase and acquire certain tele-)
phone property located in and in the)
vicinity of Farmington, San Joaquin)
County, California, and to assume the)
obligation of rendering telephone)
service therein under the name of)
Farmington Telephone Company.)

ORIGINAL

Application No. 22923

BY THE COMMISSION:

O P I N I O N

U. B. McGuire, doing business as Farmington Telephone Company asks permission to sell all of his telephone properties located in and in the vicinity of Farmington, San Joaquin County, to Jay G. Grover and Eunice V. Grover, his wife. Upon the sale of said properties, U. B. McGuire asks permission to withdraw from the telephone business in the territory served by the Farmington Telephone Company and said Jay G. Grover and Eunice V. Grover to engage in the telephone business, under the name of Farmington Telephone Company.

The Commission, by Decision No. 31364, dated October 17, 1938 in Application No. 22191, authorized Farmington Mutual Telephone Association to sell its properties to U. B. McGuire, subject to the provisions of the order in said decision. There are now about forty-one telephones on the system.

It is of record that said U. B. McGuire is not physically able to operate the telephone properties. He therefore has agreed to sell them for \$2,250.00 to said Jay G. Grover and Eunice V. Grover. In

Exhibit B the cost of the properties is reported at \$2,449.50 and their present value is estimated at \$1,382.00. Said U. B. McGuire however, undertakes to replace all telephones that are in service, but do not belong to him, with good, serviceable telephones. Under this obligation he will have to replace about twenty five telephone sets.

The purchasers agree to pay the purchase price as follows: \$15.00 in cash upon the signing of the agreement, Exhibit C, \$1,385.00 in cash to be paid when the bill of sale for the property is delivered. The balance of the purchase price is to be represented by a note for \$350.00 to be paid at the rate of \$25.00 per month with interest at 6% per annum, payable semi-annually. In view of the fact that the payments extend beyond a period of one year, we believe that the issue of the note comes within the language of Section 52 of the Public Utilities Act. The order herein will authorize its issue and also require the payment of a fee specified in Section 57 of the Public Utilities Act.

This proceeding does not involve any change in the Farmington Telephone Company rates. The Commission desires to place the purchasers upon notice that the consideration they have agreed to pay for the telephone properties does not fix the value of such properties for rate purposes.

O R D E R

The Commission having considered applicants' request and it being of the opinion that this is not a matter upon which a hearing is necessary, and that this application should be granted subject to the provisions of this order, therefore,

IT IS HEREBY ORDERED, that U. B. McGuire and Jay G. Grover

and Eunice V. Grover be, and they are hereby authorized to execute, after the effective date hereof, and prior to November 1, 1939, an agreement in, or substantially in the same form as the agreement filed in this proceeding as Exhibit C.

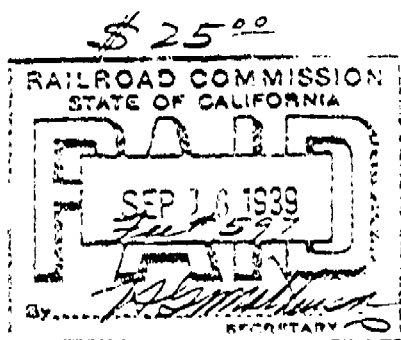
IT IS HEREBY FURTHER ORDERED, that said Jay G. Grover and Eunice V. Grover be, and they are hereby authorized to issue to said U. B. McGuire their note for \$850.00 payable in monthly installments of \$25.00 with interest at the rate of 6% per annum, payable semi-annually.

IT IS HEREBY FURTHER ORDERED, that concurrently with the execution of said agreement and the delivery of a bill of sale transferring the aforesaid properties to Jay G. Grover and Eunice V. Grover, said U. B. McGuire may withdraw from the telephone business in the territory served by the Farmington Telephone Company and said Jay G. Grover and Eunice V. Grover may operate said telephone properties under the name of Farmington Telephone Company.

IT IS HEREBY FURTHER ORDERED, that the authority herein granted will become effective when said Jay G. Grover and Eunice V. Grover, have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is \$25.00.

IT IS HEREBY FURTHER ORDERED, that within thirty (30) days after the transfer of the properties herein authorized, said Jay G. Grover and Eunice V. Grover shall file with the Commission a certified copy of the agreement under which they acquired title to said properties and a copy of the note herein authorized to be issued.

DATED at San Francisco, California, this 12th day of September, 1939.



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COMMISSIONERS