

Decision No. 39589

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of the KENWOOD RURAL TELEPHONE CO., a copartnership, by its members hereinafter named for order authorizing the sale of its telephone property to E. William Beebe and Olive B. Beebe, husband and wife.

Application No. 27939

OPINION AND ORDER

Thirteen copartners,<sup>(1)</sup> doing business as the Kenwood Rural Telephone Company, hereinafter sometimes referred to as Sellers, request authorization to sell all of their telephone properties located in the Town of Kenwood and adjacent territory in Sonoma County to E. William Beebe and Olive B. Beebe, hereinafter sometimes referred to as Purchasers, for the sum of \$2,100. Under the contract of sale dated August 29, 1946, a copy of which is filed in this proceeding as Exhibit A, the purchase price is payable in cash.

The Kenwood Rural Telephone Company properties, to which a value of \$3,500, as of October 1, 1946, has been assigned by the applicants, include a 20-line Kellogg magneto type switchboard, central office equipment, telephone station equipment, aerial wire, pole lines with crossarms and miscellaneous equipment, tools, materials, and supplies. These properties are more particularly described in Exhibit C on file with this application.

(1)

The thirteen copartners doing business as Kenwood Rural Telephone Company are: Sadie A. Egholm, Mrs. Frank Hosmer, Mrs. J. A. Brown, Mrs. Claire L. Newcomb, Miss Cora J. Hill, Mrs. Walter A. Hill, Mr. Milton F. Johnson, Mrs. Elsa Johnson, Mr. Ned Wilson, Mrs. Nell G. Wilson, Mrs. Alice E. Newcomb, Mr. James B. Kearns, and Mrs. Mabel Kearns.

Revenues and expenses of the telephone system for the years 1944 and 1945 and for the first nine months of 1946 are reported as follows:

	<u>Year 1944</u>	<u>Year 1945</u>	<u>Jan. 1 to Sept. 30, 1946</u>
Operating Revenues	\$ 2,491.14	\$ 2,888.87	\$ 2,275.48
Operating Expenses including taxes and depreciation	<u>1,611.33</u>	<u>1,762.25</u>	<u>1,822.55</u>
Net Revenues	\$ 879.81	\$ 1,126.62	\$ 452.93

It is reported that the Sellers are unable to carry on and provide the necessary expansion to serve the many new homes in the community; that they have been unable to maintain service more than 13 hours on weekdays and one hour on Sundays and holidays; and that the problem of managing the utility has fallen almost exclusively upon one of the partners, namely, Milton F. Johnson, who is physically unable to attend to this service any longer. It is for these reasons that the present owners have made arrangements to sell their telephone properties to E. William and Olive B. Beebe.

It is alleged one of the Purchasers, E. William Beebe, for many years has had experience in the management and operation of a public utility water company; that he is familiar with the business and operation of the Kenwood Rural Telephone Company; and that he is financially and otherwise in a position to carry on its operations.

Upon acquiring the telephone properties, Purchasers propose to establish a separate building at Kenwood for the telephone business and to provide 24-hour telephone service as soon as it may possibly be done.

The Commission has considered the application and is of the opinion that this is not a matter in which a public hearing is necessary and that the transfer of the Kenwood Rural Telephone Company to the Purchasers should be authorized, as herein provided. The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

IT IS HEREBY ORDERED as follows:

1. Sellers, on or before December 31, 1946, may sell the telephone system referred to in this proceeding to Purchasers in accordance with the terms of the contract of sale filed in this proceeding as Exhibit A.
2. Purchasers, if they acquire the telephone system referred to herein prior to or concurrently with the acquisition thereof, shall file with the Commission a statement showing that they adopt the Sellers' rates, rules and regulations on file with the Commission, and shall file with the Commission within thirty (30) days after such acquisition, a certified copy of the bill of sale under which they hold title to said system.
3. The authority herein granted shall become effective on the date hereof.

Dated at San Francisco, California, this 4<sup>th</sup> day of November, 1946.

Harold P. Kula

Justin Z. Casper  
Francis D. ...

John A. ...

R. Z. ...

Commissioners