

ORIGINAL

Decision No. 41282

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)

WILLARD F. SMITH)

For authority to sell his telephone)
property and to retire from the tel-)
ephone business, and of)

ANDREW E. SMITH)

To purchase said property and render)
telephone service in the territory in-)
volved, also to issue a note and to ex-)
ecute a mortgage to secure the same.)
-----)

) Application
) No. 29120

OPINION AND ORDER

This is an application for an order of the Public Utilities Commission of the State of California authorizing Willard F. Smith to sell a telephone plant, known as the Capay Valley Telephone System, to Andrew E. Smith. The agreed price for the properties is the sum of \$6,500.00.

The application shows that Williard F. Smith owns and operates a telephone exchange serving the territory known as Capay Valley, in Yolo County. His 1947 annual report to the Commission indicates that his properties include a magneto switchboard with a capacity of ten lines, approximately thirty-five miles of pole lines and eighty-two company owned stations, with physical connections with The Pacific Telephone and Telegraph Company at Woodland. The report shows his investment in his telephone properties, as of December 31, 1947, at \$10,018.37, with a depreciation

reserve of \$4,356.53, leaving a net investment of \$5,661.84. The operating revenues for 1947 are reported at \$2,835.93 and the net income at \$87.07.

Applicant Willard F. Smith reports that he desires to retire from the telephone business, because of other interests, and that accordingly he had made arrangements to sell the telephone properties to Andrew E. Smith for the sum of \$6,500. The payment of \$5,500 of the purchase price will be deferred and will be represented by a note bearing interest from its date on the unpaid principal at the rate of 1/3 of one percent per month, with payment of principal and interest to be made in monthly installments of \$60, commencing May 1, 1948. The note will be secured by a chattel mortgage covering the telephone properties.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, and that the money, property or labor to be procured or paid for through the issue of said note is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Willard F. Smith, after the effective date hereof and on or before April 30, 1948, may sell and transfer his telephone properties, known as the Capay Valley Telephone System, to Andrew E. Smith.

2. Andrew E. Smith, after the effective date hereof and on or before April 30, 1948, may acquire said telephone properties and continue the telephone service, provided that he adopt the rates, rules and regulations now on file with the Commission by Willard F. Smith, and may execute a chattel mortgage and issue a note for \$5,500 in part payment for said properties, which chattel mortgage and note shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit "B".

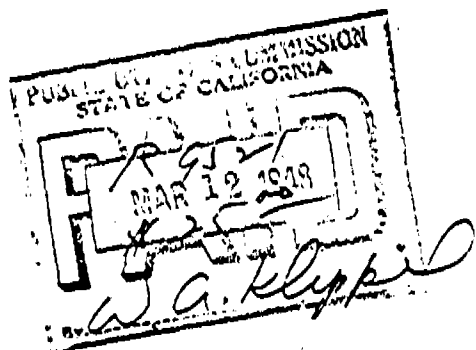
3. Upon the acquisition of said telephone properties by Andrew E. Smith, said Willard F. Smith may cease furnishing telephone service by means of said properties.

4. The authority herein granted shall not be construed to be a finding of value of the properties herein authorized to be transferred.

5. The authority herein granted will become effective when Andrew E. Smith has paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is twenty-five (\$25.00) dollars.

6. Andrew E. Smith, within thirty (30) days after the issue of the note herein authorized, shall advise the Commission, in writing, of that fact, and shall also advise the Commission of the date upon which he acquired title to said properties.

Dated at San Francisco, California, this 9th day of March, 1948.



Justin F. Graeven
Walter P. Hule
Benjamin Lott
Commissioners