

Decision No. 42021

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 Associated Telephone Company, Ltd.,)
 a corporation, and Consolidated)
 Telephone Company, a corporation,)
 for an Order of the Commission; (a))
 Authorizing Associated Telephone)
 Company, Ltd. to acquire all of the)
 Physical Properties and other assets)
 and to assume all of the liabilities)
 of Consolidated Telephone Company;)
 (b) Authorizing Consolidated Tele-)
 phone Company to transfer and convey)
 all its properties and assets to)
 Associated Telephone Company, Ltd. and)
 to assign its liabilities to Associa-)
 ted Telephone Company, Ltd. and to)
 cease public utility operations; (c))
 Authorizing Associated Telephone)
 Company, Ltd. to enter and engage in)
 the telephone business in the terri-)
 tory now served by Consolidated Tele-)
 phone Company; (d) Authorizing)
 Associated Telephone Company, Ltd.)
 to issue and sell Common Stock for)
 the purpose of acquiring funds to)
 consummate said purchase; (e) Author-)
 izing Associated Telephone Company,)
 Ltd. to issue and sell \$700,000 of)
 its Series D, 3-1/8% Bonds for the)
 purpose of discharging the obliga-)
 tion presently represented by the)
 outstanding bonded indebtedness of)
 Consolidated Telephone Company.)
 -----)

ORIGINAL

Application
No. 29114

FIRST SUPPLEMENTAL ORDER

The Commission by Decision No. 41315, dated March 16, 1948, authorized Consolidated Telephone Company to transfer and convey its properties and assets to Associated Telephone Company, Ltd. Paragraph "8" of the Order in said decision reads as follows:

"8. Associated Telephone Company, Ltd. shall file with the Commission, within three (3) months after the acquisition of Consolidated Telephone Company properties, for

its consideration and approval, a copy of its proposed journal entries to distribute the amount temporarily charged to Account 276--Telephone Plant Acquired, such journal entries to be prepared in conformity with the system of accounts prescribed by the Commission for Telephone Companies."

Associated Telephone Company, Ltd. has filed with the Commission a copy of said journal entries. The entries submitted have been examined and are found to be satisfactory for accounting purposes. Among the entries is a charge of \$62,645.02 to Account 100.4--Telephone Plant Acquisition Adjustment. In said Decision No. 41315, the Commission stated that it had no objection to the amortization of the amount charged to Account 100.4 over a period of five years. In view of the current earnings of the company we believe that the \$62,645.02 should be written off, during 1948, by a charge to Account 323--Miscellaneous Income Charges, or to Account 413--Miscellaneous Debits to Surplus.

IT IS HEREBY ORDERED that Associated Telephone Company, Ltd. may record on its books the journal entries filed in this proceeding on August 6, 1948.

IT IS HEREBY FURTHER ORDERED that Associated Telephone Company, Ltd. shall during 1948 charge said \$62,645.02 either to Account 323--Miscellaneous Income Charges, or to Account 413--Miscellaneous Debits to Surplus.

IT IS HEREBY FURTHER ORDERED that this Order is effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 3rd day
of September, 1948.

R. F. [unclear]
James F. Callahan
Samuel [unclear]

Commissioners