

ORIGINAL

Decision No. 4355i

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
KERMAN TELEPHONE COMPANY, a corporation, :
for authority to consummate an equipment) Application
purchase agreement with ASSOCIATED TELE- : No. 30707
PHONE COMPANY, LTD.)
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O P I N I O N

In this application, Kerman Telephone Company asks permission to execute an agreement under the terms of which it will acquire certain dial central office telephone equipment from Associated Telephone Company, Ltd.

Kerman Telephone Company owns and operates a telephone system furnishing telephone service in Kerman and surrounding territory in Fresno County. It is faced with the necessity of installing additional central office equipment in its main central office at Kerman. It reports that the needed manual equipment will cost about \$11,000.

Subject to the approval of the Commission, applicant has agreed to purchase from Associated Telephone Company, Ltd. certain telephone dial central office equipment at a cost of \$10,130. The equipment is no longer necessary and useful to the seller in its performance of its duties to the public. \$2,000 of the purchase price is payable in cash. The remainder is payable in monthly installments of \$338.75 on the first day of each month, beginning on the first day of November, 1949, until the entire purchase price has

been paid. The unpaid balances of the purchase price bear interest at the rate of 5% per annum, payable monthly. A copy of the agreement of purchase is on file in this application as Exhibit C.

On November 10, 1949, applicant filed an amendment to the agreement. This amendment eliminates from the agreement paragraph four, reading as follows:

"The Buyer will not cut said equipment into operation nor in any way dedicate it to the public service until the entire price shall have been paid in full."

The payments due under the agreement are guaranteed by William G. Sebastian, Kathleen Sebastian, Emil Sebastian, Florence Sebastian and Ethel B. Ball.

Applicant reports that the equipment covered by the agreement, with certain minor additional equipment, is sufficient for a complete change-over from present common battery manual operation to full dial operation of the Kerman exchange main central office equipment and, in addition, provide facilities for growth. It has constructed a new reinforced concrete building to house the dial equipment.

The application shows that applicant's president is familiar with the equipment, and that it will answer the purpose of applicant as well as new equipment which would cost about \$30,000. Applicant plans to place the equipment in service during the early part of 1950.

O R D E R

The Commission has considered this application and is of the opinion that a hearing thereon is not necessary, that the money,

property or labor to be procured or paid for by Kerman Telephone Company through the execution of the agreement, as amended, on file in this application is reasonably required by it, and that this application should be granted, as herein provided; therefore,

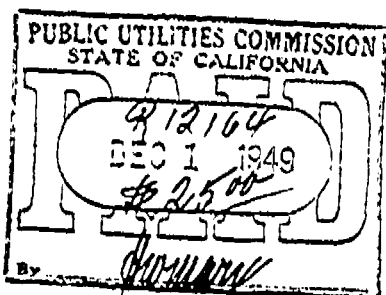
IT IS HEREBY ORDERED as follows:

1. Kerman Telephone Company may execute, after the effective date hereof and on or before December 31, 1949, the agreement on file in this application as Exhibit C, as amended by the amendment filed on November 10, 1949, for the purpose of acquiring the telephone equipment referred to in said agreement.

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

3. Within thirty (30) days after the execution of said agreement, Kerman Telephone Company shall file with the Commission two (2) copies of said agreement as executed.

Dated at San Francisco, California, this 22nd day of November, 1949.



R. Z. Anderson
Julius F. Casner
Robert F. Casner
Harold P. Hill
Penelope L. Potter
Commissioners