

Decision No. 44792

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 FRANCES K. WARREN and FRANCIS A. WARREN,
 her husband, for authority to sell their
 telephone property and to retire from
 the telephone business, and of JOHN R.
 WISE and FLORENCE C. WISE, his wife, to
 purchase said property and render tele-
 phone service in the territory involved,
 also to issue notes and to execute a
 mortgage and to secure the same.

Application No. 31590

O P I N I O N

This is an application for an order of the Commission authorizing Frances K. Warren and Francis A. Warren, hereinafter referred to as Sellers, to sell the telephone system, known as the Tuolumne Telephone Exchange, to John R. Wise and Florence C. Wise, hereinafter referred to as Buyers, and authorizing said Buyers to execute a chattel mortgage and to issue a note in the principal amount of \$15,000.

The telephone system to be sold is located in and about the town of Tuolumne, Tuolumne County, California. Sellers, in their annual reports to the Commission for the last three years, report their operating revenues and net income as follows:

<u>Year</u>	<u>Operating Revenues</u>	<u>Net Income</u>
1947	\$ 9,579	\$721
1948	7,082	596
1949	11,312	46

According to the latest report on file with the Commission, the telephone system consists of a central office with a Kellogg magneto switchboard, approximately 57 miles of wire and 28 miles of pole line, with approximately 190 working stations. Sellers report

that the original cost of the system is unknown. They acquired it in 1946 for the sum of \$18,375.

The application shows that Sellers desire to withdraw from the telephone business and that they have made arrangements to sell the system to Buyers at an agreed price of \$22,000, of which \$300 heretofore has been placed in escrow, \$6,700 will be paid upon approval by the Commission, and the balance of \$15,000 will be payable at the rate of \$200 per month with interest at the rate of 5% per annum. The deferred payment of \$15,000 will be represented by a note secured by a chattel mortgage covering the telephone system.

Information filed with the Commission indicates that Buyers are in a position to finance the acquisition of the telephone system and to maintain and continue service.

O R D E R

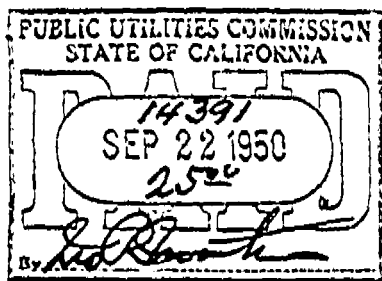
The Commission having considered the above-entitled matter and being of the opinion that a public hearing thereon is not necessary, that the sale of the properties as herein proposed is not adverse to the public interest, that the money, property or labor to be procured or paid for through the issue of the note herein authorized is reasonably required by John R. Wise and Florence C. Wise for the purpose specified herein, that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that this application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Frances K. Warren and Francis A. Warren, after the effective date hereof and on or before December 31, 1950, may sell the telephone system known as the Tuolumne Telephone Exchange to John R. Wise and Florence C. Wise, in accordance with the memorandum of agreement for sale dated March 3, 1950, filed in this proceeding.

2. John R. Wise and Florence C. Wise, after the effective date hereof and on or before December 31, 1950, may execute a chattel mortgage and issue a note in the principal amount of \$15,000 in, or substantially in, the form of the chattel mortgage and note filed in this proceeding as Exhibit B, for the purpose of financing in part the purchase price of said telephone system.
3. The rates, rules and regulations of Frances K. Warren and Francis A. Warren now on file with this Commission shall be refiled within thirty (30) days from the date of transfer under the name of John R. Wise and Florence C. Wise, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refileing, John R. Wise and Florence C. Wise may file a notice of adoption of said presently filed rates, rules and regulations. No increases in the presently lawfully filed rates shall be made unless authorized by the Commission.
4. The action taken herein shall not be construed to be a finding of the value of the telephone system herein authorized to be sold.
5. If the authority herein granted is exercised, John R. Wise and Florence C. Wise, within thirty (30) days after acquiring said system, shall notify this Commission in writing of the date of completion of the sale herein authorized, and shall file with the Commission a copy of the instrument of conveyance as actually executed.
6. John R. Wise and Florence C. Wise shall file with the Commission a report as required by General Order No. 24-A, which order, in so far as applicable, is made a part of this order.
7. The authority herein granted will become effective when John R. Wise and Florence C. Wise have paid the minimum fee prescribed by Section 57 of the Public Utilities Act, which fee is twenty-five dollars (\$25).

Dated at San Francisco, California, this 19th day of September, 1950.



R. W. Dintor
Justice F. C. Cramer
Chairman

 Commissioners.