

Decision No. 44925

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
JOHN F. NEHER and MAE NEHER, for an :
order authorizing the execution of)
mortgage and note. :
-----)

Application
No. 31825

OPINION AND ORDER

John F. Neher and Mae Neher, applicants herein, own and operate a telephone system furnishing service in Farmington, San Joaquin County, and in surrounding territory. (1) In this application they seek authority to execute a mortgage of chattels and to issue a note in the principal amount of \$5,000 for the purpose of financing in part the cost of improvements.

The application shows that presently applicants' telephone system includes magneto central office equipment, that applicants have concluded to install dial central office equipment to permit conversion from manual to dial operation, and that they have made arrangements to purchase, for approximately \$7,700, a Stromberg-Carlson dial switchboard. They propose to meet a portion of the purchase price with their personal funds, and to borrow the sum of \$5,000 to complete the payment.

The sum to be thus borrowed will be represented by a note in favor of Bank of America National Trust and Savings Association

(1)

Applicants report their net investment in plant and in current assets at \$11,387, with no liabilities other than current accounts payable of \$867.

For 1949 they report operating revenues of \$6,610 and net income of \$367, after deducting depreciation and their own compensation in the total amount of \$4,279.

at its Oakdale Branch, in the principal amount of \$5,000 payable in monthly installments of \$100 with interest at the rate of 5% per annum on deferred balances. The payment of the note will be secured by a mortgage of chattels.

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

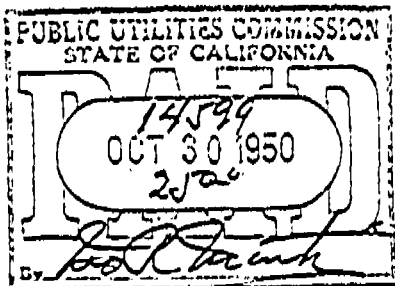
IT IS HEREBY ORDERED as follows:

1. John F. Neher and Mae Neher, after the effective date hereof and on or before June 30, 1951, may issue a note in the principal amount of \$5,000 for the purpose of financing in part the cost of the equipment referred to herein, and may execute a mortgage of chattels, which note and mortgage of chattels shall be in, or substantially in, the same form as those filed in this proceeding.

2. Applicants shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

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

Dated at Los Angeles, California, this 24th day of
October, 1950.



R. R. Smith

Arthur J. Casper

Dean P. Powell

Harold P. Hale

Kenneth P. Latta
Commissioners