

ORIGINAL

Decision No. 45022

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
ASSOCIATED TELEPHONE COMPANY, LTD.
and
OXNARD HOME TELEPHONE COMPANY

for an order (a) authorizing Assoc-
iated Telephone Company, Ltd., to ac-
quire all of the outstanding stock of
Oxnard Home Telephone Company and to
issue shares of its Common Stock in
exchange therefor; and, (b) in the
event that all of the outstanding stock
of Oxnard Home Telephone Company shall
be acquired by Associated Telephone
Company, Ltd. authorizing (1) Associated
Telephone Company, Ltd. to acquire all
of the properties and assets and to
assume all of the obligations and
liabilities of Oxnard Home Telephone
Company, (2) Oxnard Home Telephone
Company to convey and transfer all of
its properties and assets to Associated
Telephone Company, Ltd., and (3) Assoc-
iated Telephone Company, Ltd. to render
service in the territory now served by
Oxnard Home Telephone Company and Oxnard
Home Telephone Company to discontinue
service in such territory.

Application
No. 30540
(Third Supplemental)

SECOND SUPPLEMENTAL ORDER

The Commission, by Decision No. 43287, dated September 13, 1949, as amended, authorized Oxnard Home Telephone Company to trans-
fer and convey all its properties to Associated Telephone Company, Ltd., and directed said Associated Telephone Company, Ltd. to file, on or before July 1, 1950, a copy of each of its proposed journal entries to record on its books the acquisition of said properties.

Thereafter, Associated Telephone Company, Ltd. acquired such properties at a total reported purchase price of \$718,111.07.

In its third supplemental application filed on June 29, 1950, it submitted to the Commission, as Exhibit A attached thereto, a summary of an historical reproduction cost appraisal of said properties as of September 30, 1949, with the associated depreciation reserve and, as Exhibit B, its proposed journal entry to distribute the purchase price to primary plant and other accounts in accordance with such appraisal.

A summary of the proposed entry is as follows:

Charges to plant accounts	\$1,098,964.54	
Credits -		
To depreciation reserve		\$ 336,317.53
To deferred accounts		20,000.00
To acquisition adjustment		24,535.94
To telephone plant acquired		<u>718,111.07</u>
Totals	<u>\$1,098,964.54</u>	<u>\$1,098,964.54</u>

The company asks the Commission to approve the appraisal and to authorize it to record the journal entry on its books.

The record in this proceeding indicates that the property records of the former owner of the telephone system were incomplete and that an inventory and appraisal were necessary to ascertain historical costs. The staff of the Commission has reviewed the appraisal figures now submitted by the company and reports that it has no exceptions to take in the matter.

The Commission has considered the third supplemental application and is of the opinion that the company should place on its books estimated historical costs and estimated depreciation reserve in lieu of the book figures of its predecessor, and that the appraisal filed as Exhibit A to the third supplemental application should be approved for this purpose; therefore,

IT IS HEREBY ORDERED that Associated Telephone Company, Ltd. may enter on its books the proposed journal entry filed as Exhibit B with its third supplemental application in this proceeding.

This second supplemental order shall become effective twenty (20) days after the date hereof.

Dated at San Francisco, California, this 21st day of November, 1950.

A. J. Indrany
Justice F. C. Green
Justice J. C. Green
Harold P. Hule
James H. Potter
Commissioners