

ORIGINAL

Decision No. 46035

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
the DRY CREEK AND HEALDSBURG TELEPHONE)
COMPANY, a corporation, for authority)
to sell certain telephone facilities)
to THE PACIFIC TELEPHONE AND TELEGRAPH) Application No. 32604
COMPANY, and for authority to withdraw)
entirely from public service as a tele-)
phone utility.)

OPINION AND ORDER

In this proceeding, The Pacific Telephone and Telegraph Company and the Dry Creek and Healdsburg Telephone Company, hereinafter referred to as buyer and seller, respectively, request authority for seller to sell certain telephone facilities to buyer, and for seller to withdraw entirely from public service as a telephone utility after being relieved of its public utility obligation to furnish telephone service. The consideration to be paid for the telephone facilities is the sum of \$2,800, subject to adjustment at the request of either party to reflect any substantial change in the facilities between May 1, 1950 and the date of sale.

Seller is a public utility engaged in providing telephone service in territory in Sonoma County, California, located to the north and west of the town of Healdsburg, within the suburban area of buyer's Healdsburg exchange as shown on the map attached to the application as Exhibit "A". Seller serves 63 subscribers within this area, and switching service is furnished said subscribers from buyer's Healdsburg central office. A description of seller's telephone facilities is shown in Exhibit "B" attached to the application.

Seller states that it believes the revenue from telephone operations is insufficient for maintenance required to render adequate service, and that, therefore, it has decided to dispose of its telephone properties and to cease furnishing telephone service if other arrangements can be made to provide service in the area which it now serves.

After an inventory and appraisal, buyer offered to purchase seller's telephone properties, subject to approval by the Commission. Evidence of seller's acceptance of this offer is attached to the application as Exhibit "C".

Upon assumption of the responsibility of providing telephone service to seller's subscribers, buyer proposes to furnish Healdsburg suburban service at its effective Healdsburg exchange rates,^{1/} and to apply the wall set station differential to suburban service rates for those present subscribers now receiving, and wishing to continue, wall set station service.

^{1/} Buyer's principal basic rates for Healdsburg exchange service are as follows:

<u>Desk Set Station</u>	<u>Rate Per Month</u>	
	<u>Residence Flat Rate</u>	<u>Business Flat Rate</u>
Individual	\$3.75	\$5.75
Two-party	3.25	4.75
Semipublic Coin Box	-	.75
		plus .19 per day
Four-party	2.75	-
Suburban	3.25	4.25
Farmer Line	.70	1.25
Extension Station	1.00	1.25

The rate for a wall set station furnished in connection with any class or grade of exchange service is the desk set station rate less \$0.25 per month. This rate differential is available only where wall set station service was established prior to May 1, 1948, and will cease to apply in the event of any change in the class, type, grade or location of the service.

Seller furnishes party line residence service to subscribers who are company stockholders for \$0.70 per month and to other subscribers for \$1.70 per month. Party line business service is furnished to stockholders for \$1.25 per month and to other subscribers for \$2.25 per month.

No increase in message toll telephone or telegraph rates to seller's subscribers would result from the proposed change in serving arrangements.

Signed service application cards requesting provision of buyer's Healdsburg suburban service at such time as seller is authorized to discontinue telephone service have been obtained from 62 of seller's subscribers. The remaining subscriber has asked that his service be discontinued when seller ceases utility operations. He stated that the present quality of service did not warrant paying buyer's higher rate, but he indicated a desire for buyer's service when improvement has been made.

Buyer states that, upon assumption of the responsibility of providing service to seller's subscribers, it will also determine the extent of demands for buyer's service, and will undertake rehabilitation and reinforcement of seller's plant to the end of furnishing better service. Buyer estimates that this rehabilitation and reinforcement can be accomplished within about a year after the proposed purchase.

Seller owns six lines, of which three presently serve more than 10 main stations each. Buyer states that it cannot reduce the number of connected stations to a maximum of 10 until the reconstruction of seller's plant has been completed, and proposes to continue present service arrangements on a deviation basis until this reconstruction program is consummated.

The granting of this application would enable the offering of a wider classification of telephone service to seller's subscribers, would eliminate the divided responsibilities now existing in the provision of telephone service, and would enable the establishment of an orderly program for the provision of adequate telephone service.

It appearing that a public hearing is not necessary herein and that the granting of the application will not be adverse to the public interest,

IT IS HEREBY ORDERED as follows:

1. Dry Creek and Healdsburg Telephone Company may, on or after the effective date of this order and on or before December 31, 1951, sell and transfer the public utility property described in Exhibit "B" attached to the application to The Pacific Telephone and Telegraph Company pursuant to the agreement of sale and purchase attached to the application as Exhibit "C". If the authority herein granted is exercised, the buyer shall, within thirty (30) days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized.
2. Upon the acquisition of said telephone facilities and the furnishing of telephone service by The Pacific Telephone and Telegraph Company to the territory now served by the seller, Dry Creek and Healdsburg Telephone Company is relieved of its public utility obligation to furnish telephone service and shall cancel its rates, rules and regulations.
3. The Pacific Telephone and Telegraph Company, upon acquisition of the telephone facilities referred to herein, shall apply its filed tariff rates, rules and regulations applicable within the Healdsburg exchange to the territory now served by the seller. Necessary tariff schedule revisions, in accordance with General Order No. 96, shall be made after the effective date of this order and on not less than five (5) days' notice to the Commission and to the public. The Pacific Telephone and Telegraph Company is authorized to continue service on lines having in excess of 10 customers until facilities are available to reduce the number of customers per line to not more than 10, and to furnish wall set service at 25 cents

per month less than the rates for desk or hand set service to customers having wall sets as of the date of sale.

- 4. On or before the actual date of sale, Dry Creek and Healdsburg Telephone Company shall refund all deposits which customers are entitled to have refunded. Any unrefunded deposits shall be transferred to and become the obligation for refund of The Pacific Telephone and Telegraph Company.
- 5. The Pacific Telephone and Telegraph Company shall within ninety (90) days after the acquisition of seller's telephone facilities, file with the Commission a statement showing the amount paid for seller's telephone facilities and a copy of the journal entry or entries used in recording the acquisition of said telephone facilities on its accounting records.
- 6. The Pacific Telephone and Telegraph Company shall file reports of progress with the Commission on the reinforcement and rehabilitation of seller's telephone facilities, covering the periods of the first six months after date of sale and the second six months after date of sale, and shall file a final report upon completion of the reconstruction program.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 7th day of August, 1951.

Justus J. Craven
Harold A. Hule
Lawrence H. Patten
John E. Mitchell

Commissioners.