

Decision No. 47173

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
JAMES W. WELCH and T. P. HOUCK, co- )  
owners of "THE VOLCANO TELEPHONE CO.," )  
for an Order of the Commission )  
Authorizing T. P. HOUCK to sell his ) Application No. 33364  
interest in "THE VOLCANO TELEPHONE CO.," )  
to James W. Welch and to authorize )  
T. P. Houck to withdraw from the Public )  
Utilities Telephone Business in the )  
Volcano and West Point Territories. )

O P I N I O N

By this application filed on April 28, 1952, T. P. Houck seeks authority to sell his one-half interest in The Volcano Telephone Company to James W. Welch for the sum of \$19,674.05 cash, in accordance with the terms of an agreement attached to the application as Exhibit A.

The application shows that T. P. Houck and James W. Welch, as partners, are engaged in operating a telephone system serving the town of Volcano, Amador County, and the territory contiguous thereto. They conduct the business under the fictitious name and style of The Volcano Telephone Company. Reports filed with the Commission show the operating revenues of the business at \$24,803.33 in 1950 and at \$32,884.01 in 1951, with net operating income for the two periods of \$1,398.52 and \$8,468.69, respectively. A total of 275 telephone stations was served by the system at the end of 1951. The present owners report their investment in telephone plant in the amount of \$55,012.80, with a depreciation reserve of \$10,013.78 as of March 31, 1952.

The applicants, Welch and Houck, became actively engaged in the operation of The Volcano Telephone Company upon their purchase

of the company from W. Gilman Snyder, on January 1, 1950, pursuant to Decision No. 43623 dated December 13, 1949 in Application No. 30803. They now propose to terminate their partnership relation.

Applicant Houck desires to be relieved of his responsibility for managing and financing the expansion of The Volcano Telephone Company. Applicant Welch has agreed to purchase the interest of T. P. Houck in the business and to assume the complete responsibility for its operation and management as the sole owner. The application shows that applicant Welch is an electrical engineer experienced in telephone line construction and in the operation of telephone central office equipment. As of March 31, 1952, applicant Welch reports his net worth at \$32,118.43, as set forth in Exhibit C attached to the application.

O R D E R

The Commission has considered this application and is of the opinion that a public hearing thereon is not necessary and that the transfer of the properties herein authorized is not adverse to the public interest; therefore,

IT IS HEREBY ORDERED as follows:

1. T. P. Houck, after the effective date hereof and on or before August 31, 1952, may sell, transfer, and convey to James W. Welch an undivided one-half interest in the properties comprising The Volcano Telephone Company in accordance with the terms and conditions of an agreement and deed attached to the application as Exhibits A and B.
2. James W. Welch shall, within thirty (30) days thereafter, notify this Commission in writing, of the completion of the property transfer herein authorized.
3. James W. Welch, if he acquires said one-half interest, shall file or adopt in his own name the rates, rules and regulations now on file in the name of the partnership, governing service furnished by The Volcano Telephone Company. Upon the acquisition of said one-half interest by James W. Welch, T. P. Houck is relieved of his public utility obligations to supply telephone service.

4. That on or before the date of actual transfer all deposits which customers are entitled to have refunded shall be refunded or transferred to and become the obligation for refund of James W. Welch.
5. The action taken herein shall not be construed to be a finding of value of the properties herein authorized to be transferred.

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

Dated at San Francisco, California, this 16<sup>th</sup> day of May, 1952.

*R. J. [Signature]*  
President  
*Justice F. Cassen*  
*Harold P. Hula*  
*Kenneth [Signature]*  
Commissioners.