ORIGINAL

Decision No. <u>47950</u>

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CITIZENS UTILITIES COMPANY OF CALIFORNIA, a corporation, and ALLAN V. SCHILLER and MARY P. SCHILLER, doing business as Lassen Telephone Company, for an order authorizing Allan V. Schiller and Mary P. Schiller to sell their telephone system to Citizens Utilities Company of California.

Application No. 33840

OPINION AND ORDER

By the above-entitled application filed on October 28, 1952, Allan V. Schiller and Mary P. Schiller, doing business as Lassen Telephone Company in Lassen County, California, seek authority to sell their telephone system to Citizens Utilities Company of California for the sum of \$16,425 cash, in accordance with the terms and conditions of a letter agreement attached to the application as Exhibit A.

The application shows that Allan V. Schiller and Mary P. Schiller are engaged in operating a telephone system serving the communities of Janesville, Johnstonville, Buntingville, Standish, Litchfield, Herlong Junction, Milford and vicinity in Lassen County. They conduct the business under the name of Lassen Telephone Company which operates under a 50-year franchise granted by the Board of Supervisors of Lassen County on January 4, 1912, and a certificate of public convenience and necessity granted by Decision No. 13808, dated July 15, 1924. The present owners report, as of September 30, 1952; their investment in telephone plant and equipment in the amount of \$21,886.04, with a depreciation

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reserve of 3516. Applicants Allan V. Schiller and Mary P. Schiller desire to be relieved of their public utility responsibilities and for this reason they have agreed to sell their telephone system to Citizens Company.

Citizens Company presently is engaged in the telephone utility business, among others, in territory surrounding and adjacent to the Lassen system. As of August 31, 1952 Citizens Company reported total assets of \$5,360,294.64. It appears from the application that upon acquisition of the properties, Citizens Company proposes to make a comprehensive engineering and commercial study which will be completed during the year 1953 and, on the basis of such survey, to provide unlimited hour service for all existing and prospective subscribers of the Lassen system by 1954 or 1955. Citizens Company also proposes, for the time being, to continue in effect the presently effective rates and charges of the Lassen system.

Upon reviewing this application, the Commission is of the opinion that a public hearing is not necessary, and that the transfer will not be adverse to the public interest.

The certificate of public convenience and necessity authorized to be transferred herein is subject to the following provision of law:

> That the Commission shall have no power to authorize the capitalization of the franchise involved herein or this certificate of public convenience and necessity or the right to own, operate or enjoy such franchise or certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the grant of such franchise, certificate of public convenience and necessity or right.

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The application will be granted as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

- 1. Allan V. Schiller and Mary P. Schiller, after the effective date hereof and on or before March 31, 1953, may sell and transfer the properties comprising the Lassen telephone system to Citizens Utilities Company of California, a corporation, under the terms and conditions set forth in the application, and upon such transfer may withdraw from their public utility operations.
- 2. The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.
- 3. On or before the date of actual transfer, Allan V. Schiller and Mary P. Schiller shall refund all deposits which customers are entitled to have refunded. Any unrefunded deposits shall be transferred to and become the obligation of Citizens Utilities Company of California, a corporation.
- 4. The rates, rules and regulations governing the operations of the Lassen telephone system now on file with the Commission shall be refiled within thirty (30) days from the date of transfer under the name of Citizens Utilities Company of California in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refiling, Citizens Utilities Company of California may file a notice of adoption of said presently filed rates. No increase in the present lawfully filed rates, rules and regulations, by the Commission.
- 5. Citizens Utilities Company of California shall file with the Commission a copy of the journal entries to record the purchase of the properties and the distribution to primary accounts, such filing to be made within thirty (30) days after the acquisition of the properties.
- 6. If the authority herein granted is excretised, Citizens Utilities Company of California shall on or before December 31, 1953 submit to the Commission a copy of the comprehensive engineering and commercial study as outlined in the application.

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- - 7. If the authority herein granted is exercised, the applicants shall; within thirty (30) days thereafter, notify the Commission in writing, of the date of such completion of the property transfer herein authorized, and of their compliance with the conditions hereof.

The effective date of this order shall be twenty (20)

days after the date hereof. ĽĹ, Dated at and thancisco), California, this 25 day of vember 1952. ,

Commissioners. ß

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