

ORIGINAL

Decision No. 48709

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
JOHN R. WISE operating as TUOLUMNE)
TELEPHONE EXCHANGE, for an order)
authorizing increases and changes)
in rates and charges for exchange)
telephone service.)
-----)

Application
No. 32646

FIRST SUPPLEMENTAL OPINION AND ORDER

By Decision No. 46713, dated February 5, 1952, John R. Wise, doing business as Tuolumne Telephone Exchange, was ordered to submit, on or before December 31, 1952, for the approval of the Commission, an historical cost appraisal of all his telephone plant. On December 22, 1952, the Commission extended the time within which he might file the appraisal to June 30, 1953.

On June 2, 1953, John R. Wise submitted an historical cost appraisal as of December 31, 1952, in which he shows the estimated original cost of his investment in telephone properties to be \$22,266 and the related depreciation reserve to be \$9,087. The staff of the Commission has reviewed the inventory, pricing methods and depreciation reserve requirement computations used in arriving at the amounts submitted and takes no exception thereto.

Upon a review of this matter we are of the opinion that John R. Wise should be authorized, for accounting purposes, to restate his books of account by recording therein the telephone plant account balances and the depreciation reserve shown in the December 31, 1952, appraisal; therefore,

IT IS HEREBY ORDERED as follows:

1. John R. Wise, doing business as Tuolumne Telephone Exchange, may, for accounting purposes, record on his books of account

the appraisal and related depreciation reserve, as of December 31, 1952, submitted by him in this proceeding.

2. Applicant shall file with the Commission a copy of each of the journal entries used by him responsive to the authorization herein granted.

3. Applicant shall base the annual accruals for depreciation upon the appraisal figures thus recorded in his accounts, less the estimated net salvage and the calculated depreciation reserve, over the estimated remaining life of the property. Applicant shall review the accruals for each plant account at intervals of not more than five years, and also when major changes in plant composition occur, and shall submit the results of these reviews to the Commission.

4. The action taken herein shall not be construed to be a finding of the value of the properties referred to in this proceeding.

5. This first supplemental opinion and order will become effective upon the date hereof.

Dated at San Francisco, California, this 16th day of June, 1953.

[Signature]
President

Justus F. Casper
Harold P. Huls

Commissioners