

ORIGINAL

Decision No. 49023

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
Oscar H. Ivey and Winifred E. Ivey, husband	)	
and wife, Owners of and operating as	)	
MARIPOSA TELEPHONE EXCHANGE, for an Order	)	Application
authorizing the sale of their telephone	)	No. 34582
property to Harry H. Baker.	)	
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O P I N I O N

This is an application for an order authorizing Oscar H. Ivey and Winifred E. Ivey to sell the Mariposa Telephone Exchange to Harry H. Baker.

The properties to be sold include a dial central office together with telephone pole lines, wires and accessories serving approximately 250 subscribers in and about the Town of Mariposa. The application shows that as of June 30, 1953, the reported investment in the plant and materials and supplies was \$45,686.03, with an accumulated depreciation reserve of \$6,675.15, that said Oscar H. Ivey and Winifred E. Ivey are desirous of disposing of the plant in order to devote themselves to other activities, and that they have arranged to sell the same to Harry H. Baker for the sum of \$45,000. The agreement of sale provides for a down payment of \$13,000 and for the issue of a note by Harry H. Baker in the amount of \$32,000 in evidence of the balance of the purchase price, said note to be secured by a chattel mortgage and to be payable in quarterly installments of \$900, with interest at the rate of 6% per annum.

Harry H. Baker is, and for a number of years has been, engaged in the ownership and operation of the Sierra Telephone Company at Raymond. It appears that he intends to continue operations of

both exchanges, that the one at Mariposa will be operated as an un-attended dial exchange, that all billing will be handled at the Raymond business office, that subscribers of the Mariposa exchange can call direct without charge to the business office at Raymond where the subscribers' accounts will be handled, and that all the trucks, tools, equipment and personnel used by the Sierra Telephone Company will be available to carry on the maintenance, construction and office routine in connection with the operation of the Mariposa Telephone Exchange.

The latest annual report of the operations of the Mariposa Telephone Exchange shows that during 1952 the revenues amounted to \$13,228.81 with a net operating loss of \$395.51. The report covering the operations of Sierra Telephone Company during the same year shows operating revenues of \$34,038.22 with net operating income of \$1,240.99.<sup>1/</sup> Analysis of the results of operation by the Commission's staff shows that the operating expenses associated with the Mariposa Telephone Exchange included for depreciation the sum of \$1,661.29 and for owner's salary the sum of \$3,600. The report of Sierra Telephone Company shows depreciation expenses of \$3,514 and owner's salary of \$7,410.

It appears that through a consolidation of the two exchanges under one ownership and operation certain general expenses will be eliminated and other savings effected in expenses and that the combined operations should be able to carry the obligations imposed by the issue of the proposed note. From our review of the application we are of the opinion that the proposed transaction will not be adverse to the public interest and that an order should be entered granting applicants' requests. The action taken herein, however,

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<sup>1/</sup> By Decision No. 47778, dated September 30, 1952, the Commission authorized Harry H. Baker to place in effect, on and after November 1, 1952, rate schedules designed to produce net income of \$4,100.

shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required by Harry H. Baker for the purpose specified herein, and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Oscar H. Ivey and Winifred E. Ivey are authorized to transfer the properties comprising the Mariposa Telephone Exchange to Harry H. Baker, on or before December 31, 1953, under the terms and conditions set forth in this application.
2. Harry H. Baker is authorized to issue a note in the principal amount of \$32,000 in part payment for the Mariposa Telephone Exchange and to execute a chattel mortgage, which note and chattel mortgage shall be in, or substantially in, the same form as those filed in this proceeding.
3. Harry H. Baker shall maintain accounting records in such form as to show separately the investment in the properties comprising the Mariposa Telephone Exchange, together with the related depreciation reserve, and the operating revenues and the direct expenses of said exchange.
4. The rates, rules and regulations of Oscar H. Ivey and Winifred E. Ivey now on file with the Commission shall be refiled.

within 30 days after the date of transfer under the name of Harry E. Baker, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refiling, Harry E. Baker may file a notice of adoption of said presently filed rates, rules and regulations. No increase in the present rates shall be made unless authorized by the Commission.

5. If the authority herein granted is exercised, Oscar E. Ivey and Winifred E. Ivey, within 30 days thereafter, shall notify the Commission in writing of the date of the completion of the transfer herein authorized and of their compliance with the conditions hereof.

6. Harry E. Baker shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

7. The authority herein granted will become effective when Harry E. Baker has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$32.00.

Dated at San Francisco, California, this 1st day of September, 1953.

[Signature]  
President

[Signature]

[Signature]

[Signature]

Commissioners

