

**ORIGINAL**

Decision No. 49647

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of	)	
Harry B. Roome and Ina Alta Roome, husband	:	
and wife, Owners, doing business as	)	
DUCOR TELEPHONE COMPANY, for an Order	:	Application
authorizing the sale of their telephone	)	No. 35094
property to their son, Virgil A. Roome.	:	
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O P I N I O N

In this proceeding the Commission is asked to make an order authorizing Harry B. Roome and Ina Alta Roome to sell and transfer the Ducor Telephone Company to Virgil A. Roome, and authorizing Virgil A. Roome to issue a note in the principal amount of \$16,000 and to execute a chattel mortgage.

The application shows that Harry B. Roome and Ina Alta Roome are engaged in furnishing local exchange service and long distance service in and about the communities of Ducor and California Hot Springs, in Tulare County, the lines connecting with those of The Pacific Telephone and Telegraph Company at the latter company's Porterville exchange. Harry B. Roome reports that he is in ill health and desires to retire from the operation of the utility and accordingly has made arrangements to transfer the properties to Virgil A. Roome, his son, for the sum of \$22,000. It appears that said Virgil A. Roome for a number of years has been engaged in the construction and maintenance work required by the Ducor Telephone Company and in carrying on its business, and financially is in a position to take over and continue the operations.

The agreed terms provide for a down payment of \$6,000 and for the payment of the remaining \$16,000 at the rate of \$75 a month with interest at the rate of 5% per annum on the unpaid balances. The deferred payments will be represented by a note in the principal amount of \$16,000 and will be secured by a chattel mortgage. A copy of the form of the note has been filed in this proceeding as Exhibit D and a copy of the form of the chattel mortgage as Exhibit E.

It does not appear that the proposed transaction will be adverse to the public interest and in our opinion the transfer should be authorized. The action taken herein, however, 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 Virgil A. Roome 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. Harry B. Roome and Ina Alta Roome may sell and transfer the properties comprising the Ducor Telephone Company to Virgil A. Roome on or before June 30, 1954.

2. Virgil A. Roome, in part payment for said properties, may issue his promissory note, on or before June 30, 1954, in the principal amount of \$16,000 and may execute a chattel mortgage, which note and chattel mortgage shall be in, or substantially in, the same form as those filed in this proceeding as Exhibit D and Exhibit E, respectively.

3. Virgil A. Roome, in acquiring the properties of the Ducor Telephone Company, shall set up on his books of account the balances in the plant and depreciation reserve accounts of Harry B. Roome and Ina Alta Roome at the date of transfer, and shall charge to a deferred debit account the difference between the net book value of the assets acquired and the consideration paid by him.

4. The rates, rules and regulations of Harry B. Roome and Ina Alta Roome now on file with the Commission shall be refiled within 30 days after the date of transfer under the name of Virgil A. Roome, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refiling, Virgil A. Roome 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. Virgil A. Roome shall file with the Commission a report as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order, and at the same time shall file a copy of each journal entry by which he records on his books of account the purchase of the properties and the distribution of the purchase price to primary plant and other accounts.

6. The authority herein granted will become effective when Virgil A. Roome has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.00.

Dated at San Francisco, California, this 9<sup>th</sup> day of February, 1954.

*R. E. Anderson*  
President  
*Justus J. Carlson*  
*Samuel J. Patten*  
*John E. Whitwell*  
*Deane Bergman*  
Commissioners

