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Decision No. _____

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
WALTER B. GREIG and THELMA GREIG,
doing business as White River Telephone
Exchange, for authority to issue
promissory note and execute chattel
mortgage.

Application No. 37552 ✓

OPINION AND ORDER

In this application Walter B. Greig and Thelma Greig, individuals doing business as White River Telephone Exchange, request authority to execute a mortgage of chattels and to issue a promissory note in the principal amount of \$9,687.16 in order to finance, in part, the cost of acquiring new telephone plant facilities.

Applicants own and operate a public utility telephone system which provides exchange and toll telephone service in the unincorporated community of White River and vicinity in Tulare and Kern Counties. Reports on file with the Commission show that applicants were serving 46 company owned and 10 subscriber owned stations as of December 31, 1954. For the year ending December 31, 1954 they report operating revenues of \$4,175.74 and net operating income of \$823.41. Like figures for the ten months ending October 31, 1955 are \$4,300.96 and \$1,525.38, respectively. In the balance sheet attached to the application as Exhibit A, applicants set forth their assets and liabilities as of October 31, 1955, as follows:

Assets

Telephone plant in service	\$25,966.70	
Telephone plant under construction	<u>13,105.75</u>	\$39,072.45
Cash		624.69
Due from customers and agents		2,424.88
Material and supplies		<u>2,938.40</u>
Total Assets		<u>\$45,060.42</u>

Liabilities

Proprietary capital		\$44,992.54
Accounts payable		<u>67.88</u>
Total Liabilities		<u>\$45,060.42</u>

Applicants recently completed the installation of a Stromberg-Carlson dial switchboard and 75 dial telephone instruments at a cost of \$9,687.16, and certain outside plant at a cost of \$3,418.00, the total cost of the new facilities being \$13,105.75, which amount is shown in the October 31, 1955 balance sheet as telephone plant under construction.

Applicants propose to finance the cost of the outside plant with their own funds and the cost of the dial switchboard and the telephone instruments through the issue of a promissory note to Stromberg-Carlson in the principal amount of \$9,687.16. The note is to be repaid in 60 consecutive monthly installments, consisting of 59 payments of \$161.00 and one payment of \$188.16, with interest on the deferred balance, computed at the rate of 6% per annum, and is to be secured by a mortgage of chattels on the dial switchboard and telephone instruments. A copy of the note and the mortgage of chattels which applicants propose to execute are attached to the application as Exhibits C and D, respectively.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the application should be granted and that the money, property or labor to be procured or paid for by the issue of the note is reasonably required by applicants for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expense or to income, therefore,

IT IS HEREBY ORDERED as follows:

1. Walter B. Greig and Thelma Greig, doing business as White River Telephone Exchange, on or after the effective date hereof and on or before June 30, 1956, may execute a mortgage of chattels and may issue a note in the amount of not exceeding \$9,687.16 for the purpose set forth in this application, which mortgage of chattels and note shall be in, or substantially in, the same form as those filed in this proceeding.

2. Applicant shall file a report as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective when applicant has paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 16th day of January, 1956.

[Signature]
President

Justin J. Casner

Ralph Lutz

[Signature]

Commissioners

