

ORIGINALDecision No. 53853

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application)
of CITIZENS UTILITIES COMPANY OF)
CALIFORNIA, a corporation, and RAYMOND)
W. COFFELT and J. RIKA COFFELT, his wife,) Application No. 38361
doing business as Shasta Telephone Company,)
for an order authorizing Raymond W. Coffelt)
and J. Rika Coffelt, his wife, to sell their)
telephone system to Citizens Utilities)
Company of California.)

OPINION AND ORDER

By the above-entitled joint application, filed on August 23, 1956, Citizens Utilities Company of California^{1/} and Raymond W. Coffelt and J. Rika Coffelt, his wife, doing business as Shasta Telephone Company^{2/} seek an order of this Commission pursuant to Section 851 of the Public Utilities Code (a) authorizing Citizens to purchase and acquire from Sellers their telephone system in and around Millville, Shasta County, California, for the sum of \$42,072.93 cash subject to certain adjustments, and on the terms and conditions set forth in the agreement attached to the application as Exhibit A; (b) authorizing Citizens to own and operate said telephone properties as a public utility and to publish, file and make effective for the Shasta telephone system the existing rates, charges, rules and regulations of Shasta on file with this Commission; and (c) authorizing Sellers to cease

^{1/} Herein sometimes referred to as Citizens or Buyer.

^{2/} Herein sometimes referred to as Shasta or Sellers.

furnishing telephone service and relieving them of the duties and functions of a public utility.

Raymond W. Coffelt was authorized to operate as a public utility furnishing telephone service in Millville and surrounding territory in Shasta County in accordance with Decision No. 40458 dated June 28, 1947, and Decision No. 41195 dated February 3, 1948. Sellers state the area was served by their predecessors in interest prior to 1912.

Citizens is a California corporation engaged in the business of owning and operating water and telephone utility systems in various parts of northern California, with its principal place of business in Redding, California. The Millville exchange of Shasta is located adjacent to Citizens' Bella Vista and Ingot exchanges in Shasta County.

The application states that the present owners of Shasta desire to retire from active management of Shasta and that the revenues therefrom are not sufficient to permit such owners to employ additional personnel to manage such system. For this reason Sellers entered into an agreement^{3/} on June 28, 1956, for the purchase by Citizens of Shasta's telephone system for the sum of \$42,072.93 payable in cash and subject to certain adjustments. It appears from the application that the \$42,072.93 amount is made up of the following items:

^{3/} Exhibit A attached to the application.

Shasta Telephone Company
 Plant Property and Equipment - December 31, 1955
 Adjusted to include \$13,500 construction labor
 of R. W. Coffelt for period of 1948-1955

Organization	\$ 2,000.00
Land	500.00
Buildings	2,017.82
Central office equipment	12,676.43
Station equipment	4,821.40
Station installation and drop wire	3,964.30
Poles	11,715.82
Aerial wire	6,911.01
Furniture	382.35
Vehicles and work equipment	3,257.50
	<u>\$48,246.63</u>
Less reserve for depreciation as of 12/31/55	<u>6,173.70</u>
Net plant 12/31/55	\$42,072.93

As of June 30, 1956, Shasta reported^{4/} an investment in telephone plant of \$35,922.95, with a reserve for depreciation of \$7,029.70, or net plant of \$27,893.25. Materials and supplies as of the same date were reported at \$1,386.31.

Citizens proposes for the time being to continue in effect for the Shasta telephone system the rates, charges, rules and regulations of Shasta.

The above-entitled application to sell public utility property having been filed with this Commission, and it appearing to this Commission that a public hearing thereon is not necessary, that the proposed transfer will not be adverse to the public interest, that the action taken herein shall not be construed to be a finding of value of the properties herein authorized to be transferred, and that authorization herein is not to be construed

^{4/} Exhibit C attached to the application.

as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates; therefore,

IT IS HEREBY ORDERED that Sellers may, on or after the effective date hereof, and on or before December 31, 1956, sell and transfer the herein described public utility property to Citizens Utilities Company of California pursuant to the agreement of sale and purchase embodied in the application, and upon such transfer Sellers may withdraw from their public utility operations subject to the following conditions:

1. The rates and rules of Shasta Telephone Company, now legally on file with this Commission, shall be refiled within thirty 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 may file a notice of adoption of said presently filed rates. No increases in the present lawfully filed rates and rules shall be made unless otherwise properly authorized by this Commission.
2. On or before the date of actual transfer, Shasta Telephone Company shall refund all deposits which customers are entitled to have refunded; and that any unrefunded deposits shall be transferred to and become the obligation for refund of Citizens Utilities Company of California.
3. Citizens Utilities Company of California shall charge the net costs of acquiring the properties under the authorization herein granted to Ac. 276, Telephone Plant Acquired. Within six months after acquisition of said properties and before distributing such net cost to primary plant and other accounts, Citizens shall file with this Commission for review its proposed journal entries to accomplish such distribution.
4. On or before the date of actual transfer of the physical properties herein authorized, Shasta Telephone Company shall transfer and deliver to Citizens and the latter shall receive and preserve all records, memoranda and papers pertaining to the operations of Shasta, as more specifically described in this Commission's General Order No. 28.

5. If the authority herein granted is exercised, the applicants shall, within thirty days thereafter, notify this 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 days after the date hereof.

Dated at San Francisco, California,
this 12th day of OCTOBER, 1956.

[Signature]
President
[Signature]
[Signature]
[Signature]
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Commissioners