

ORIGINAL

Decision No. 55489

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application
of CENTRAL CALIFORNIA TELEPHONE COMPANY,
a corporation, and F. C. MITCHELL AND
GLADYS A. MITCHELL, his wife, doing
business as McFARLAND TELEPHONE COMPANY,
for an order authorizing said
F. C. Mitchell and Gladys A. Mitchell,
his wife, to sell their telephone
system to Central California Telephone
Company.

Application No. 39260
and Amendment

O P I N I O N

This is an application for an order authorizing
F. C. Mitchell and Gladys A. Mitchell to sell the McFarland
Telephone Company to Central California Telephone Company,
a corporation.

Applicants F. C. Mitchell and Gladys A. Mitchell are
the owners of a public utility telephone system serving approxi-
mately 950 subscribers in the community of McFarland, Kern
County. They report that they desire to retire from the
operation of the telephone system and that they have made
arrangements to sell to Central California Telephone Company
their telephone plant and facilities at their book values, plus
the sum of \$22,500 representing the agreed purchase price of
certain real property on which the central office is located.^{1/}

^{1/} The net book value of the telephone plant in service and
work in progress, excluding the real property, was reported
at \$126,351 as of July 15, 1957 in Exhibit C.

Central California Telephone Company is a corporation presently engaged in operating public utility telephone systems furnishing local and toll telephone service in parts of Tulare, Kings, San Joaquin and Calaveras Counties. It asserts that it is familiar with the McFarland Telephone Company's system and operations and that the combining of such operations with its own will permit operating and management economies. The purchaser will adopt the rates, rules and regulations of the McFarland Telephone Company.

From a review of the application and of the financial statements of the purchaser, it appears that the purchaser should be in a position to take over the McFarland Telephone Company's operations and continue the service and we are of the opinion, and so find, that this proposed transfer will not be adverse to the public interest. Accordingly, we will enter an order authorizing the transaction.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred nor as binding the Commission to accept the agreed purchase price for the purpose of fixing rates or authorizing the issue of securities.

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, and that the application should be granted as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. F. C. and Gladys A. Mitchell may sell and convey the McFarland Telephone Company, their certificate of public convenience and necessity, telephone system and real property to Central California Telephone Company, and Central California Telephone Company may purchase and acquire and thereafter operate said telephone system, such sale and conveyance to be made in accordance with the terms and conditions set forth in this application.

2. The rates, rules and regulations of F. C. and Gladys A. Mitchell, doing business as McFarland Telephone Company, now on file with the Commission shall be refiled within 30 days after the date of transfer under the name of Central California Telephone Company, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refileing, Central California Telephone Company 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.

3. On or before the date of actual transfer, F. C. and Gladys A. Mitchell, doing business as McFarland Telephone Company, shall refund all deposits which customers are entitled to have refunded. Any unrefunded deposits shall be transferred to and become the obligation for refund of Central California Telephone Company.

4. On or before the date of actual transfer of the physical properties under the authorization herein granted, F. C. and Gladys A. Mitchell, doing business as McFarland Telephone Company, shall transfer and deliver to Central California

Telephone Company all records, memoranda, and papers pertaining to the construction and operations of the properties of McFarland Telephone Company.

5. Upon compliance with the terms and conditions of the transfer, F. C. and Gladys A. Mitchell, doing business as McFarland Telephone Company, shall stand relieved of all further public utility obligations in connection with the operations of the public utility telephone system herein authorized to be transferred.

6. If the authority herein granted to transfer properties is exercised, Central California Telephone Company, within 30 days thereafter, shall notify the Commission in writing of the date of completion of such transfer. The authority herein granted will lapse unless exercised on or before June 30, 1958.

7. The authority herein authorized will become effective 20 days after the date hereof.

Dated at Los Angeles, California, this 27th day of August, 1957.

President
Paul L. Lintner
R. A. Hart

Edgar Fox

Commissioners