

ORIGINAL

Decision No. 55735

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the joint Application
of
EXETER TELEPHONE COMPANY, LTD. and
CORCORAN TELEPHONE EXCHANGE for an
order authorizing Exeter Telephone
Company, Ltd. to sell and convey
its telephone system to Corcoran
Telephone Exchange

Application No. 34044

SECOND SUPPLEMENTAL ORDER

By Decision No. 48297, dated February 24, 1953, in this proceeding, the Commission authorized Exeter Telephone Company, Ltd. to sell and convey its telephone system to Corcoran Telephone Exchange.^{1/} In authorizing this transfer, the Commission included, as Ordering Paragraph 5 of its decision, the following provision:

"Corcoran Telephone Exchange shall set up and maintain its records so as to show for each exchange the investment in plant, the related depreciation reserves, and the revenues and expenses."

Subsequent to 1953, Central California Telephone Company acquired or constructed telephone exchanges at Alpaugh, Linden, Clements, Farmington and McFarland. It thus, at the present time, operates seven telephone exchanges and, in compliance with the Commission's decision, maintains its records in such form as to show the investment in plant, related depreciation reserves, the revenues and expenses applicable to each exchange.

^{1/} Name subsequently changed to Central California Telephone Company.

The company has found it advisable, for managerial purposes, to maintain a record of plant investment and the related depreciation reserves by exchanges and, under its billing practices, the detail as to revenue is available by exchanges. However, under its present method of operation, the segregation of expenses to exchanges involves the use of a number of estimates and the maintenance of considerable accounting detail and the results produced do not appear to justify the added accounting costs associated therewith. Under these circumstances, it appears that the Commission's order should be modified, as herein provided, so as to permit Central California Telephone Company to revise its accounting procedures and henceforth to keep expense accounts for the system as a whole; therefore,

IT IS HEREBY ORDERED as follows:

1. On and after January 1, 1958, the provisions of Ordering Paragraph 5 of Decision No. 48297, dated February 24, 1953, are modified so as to permit Central California Telephone Company to maintain its record of operating expenses for the system as a whole, provided, however, that such record of operating expenses will be maintained in such manner that expenses for any exchange may be computed for a specific period, if the need arises.
2. In all other respects, Decision No. 48297 remains unchanged.

3. The effective date of this order will be 20 days after the date hereof.

Dated at San Francisco, California, this 28th day of October, 1957.

President

Commissioners