

ORIGINAL

Decision No. 55736

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 JOHN F. NEHER AND MAE  
NEHER, his wife, doing business as  
FARMINGTON TELEPHONE COMPANY for an  
order authorizing John F. Neher and  
Mae Neher, his wife, to sell their  
telephone system to Central California  
Telephone Company.

Application No. 37348

FIRST SUPPLEMENTAL ORDER

By Decision No. 52138, dated October 25, 1955, in this proceeding, the Commission authorized John F. Neher and Mae Neher, doing business as Farmington Telephone Company, to sell and convey their telephone system to Central California Telephone Company. In authorizing this transfer the Commission included as Ordering Paragraph 4 of this decision the following provision:

"Central California Telephone Company shall set up and maintain its records so as to show for Farmington exchange the investment in plant, the related depreciation reserve, and the revenues and expenses."

At the time of filing its application in this proceeding Central California Telephone Company operated exchanges in Corcoran and Exeter. It subsequently acquired or constructed telephone exchanges at Alpaugh, Linden, Clements and Farmington. It thus, at the present time, operates seven telephone exchanges and, in compliance with decisions of this Commission, maintains its records in such form as to show the investment in plant, related depreciation reserves, and the revenues and expenses applicable to each exchange.

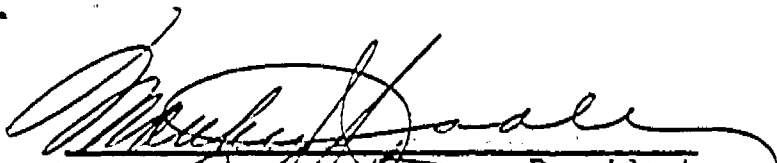
The company has found it advisable, for managerial purposes, to maintain a record of plant investment and the related depreciation reserves by exchanges and, under its billing practices, the detail as to revenue is available by exchanges. However, under its present method of operation, the segregation 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 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,

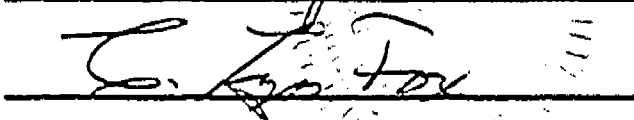
IT IS HEREBY ORDERED as follows:

1. On and after January 1, 1958, the provisions of Ordering Paragraph 4 of Decision No. 52138, dated October 25, 1955, 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. 52138 remains unchanged.

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

Dated at San Francisco, California, this 28<sup>th</sup> day of October, 1957.

  
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R. H. Hoover President

  
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E. L. Tamm

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Commissioners