

ORIGINAL

Decision No. 56807

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
THE PACIFIC TELEPHONE AND TELEGRAPH
COMPANY, a corporation, and THE
REDWOOD EMPIRE TELEPHONE SYSTEM, a
corporation, for authority for THE
PACIFIC TELEPHONE AND TELEGRAPH COMPANY
to sell certain telephone plant to THE
REDWOOD EMPIRE TELEPHONE SYSTEM.

Application No. 40119

OPINION AND ORDER

The Pacific Telephone and Telegraph Company, by the above entitled application filed on May 27, 1958, seeks authorization pursuant to Section 851 of the Public Utilities Code to sell, for the sum of \$1,000 plus \$40 sales tax, its telephone plant in the Cazadero area, described in Exhibit A attached to the application, to Redwood Empire Telephone System coincident with the establishment of the Cazadero exchange by Redwood Empire Telephone System. Seller further requests that the authority granted by the Commission be effective not later than June 15, 1958.

Pursuant to Decision No. 55779, dated November 5, 1957, buyer was authorized to establish a telephone exchange to be known as Cazadero and to complete the initial telephone plant and system for the Cazadero exchange by not later than June 15, 1958. By the above mentioned decision, seller was ordered to discontinue its toll stations within the Cazadero exchange on such date as exchange service is made available by buyer and in no event later than June 15, 1958. Seller states that upon discontinuance of its toll stations in the Cazadero area, it will have no further requirement to use certain of its plant which buyer desires to purchase for use in providing exchange telephone service in the area.

A copy of the purchase and sales agreement dated May 23, 1958 executed by the seller and buyer is attached to the application as Exhibit A. Seller states that the book cost of the plant to be sold to buyer is \$4,623.

It appears that the proposed sale will not be adverse to the public interest, that a public hearing on this matter is not necessary, and that the application should be granted as herein provided. However, the action taken herein shall not be construed to be a finding of the value of the property herein authorized to be transferred, nor as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

IT IS ORDERED that The Pacific Telephone and Telegraph Company may, on or after the effective date hereof, and on or before August 31, 1958, sell in accordance with the terms of the purchase and sales agreement, a copy of which is attached to the application as Exhibit A, the telephone plant described in said Exhibit A to The Redwood Empire Telephone System coincident with buyer's establishment of the Cazadero exchange.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 9th day of June, 1958.

[Signature]
President

[Signature]

[Signature]

Commissioners