

ORIGINAL

Decision No. 57472

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application
of CENTRAL CALIFORNIA TELEPHONE COMPANY,
a California corporation, WALTER B. GREIG
and THELMA GREIG, his wife, doing business
as WHITE RIVER TELEPHONE EXCHANGE and/or
SEQUOIA TELEPHONE COMPANY, and SEQUOIA
TELEPHONE COMPANY, a California corporation,
for an order authorizing the sale of the
White River telephone system to the Central
California Telephone Company.

Application No. 40437

OPINION AND ORDER

In this application the Commission is asked to make an order authorizing Walter B. Greig and Thelma Greig to transfer telephone properties to Central California Telephone Company, a corporation.

Walter B. Greig and Thelma Greig are engaged in operating a public utility telephone system furnishing local and toll telephone service to approximately 85 subscribers in and about the unincorporated town of White River, Tulare County.^{1/} The application shows that applicants Greig desire to retire from the operation of the telephone system and that they have made arrangements to sell the real property and improvements, telephone plant, lines and facilities, materials, supplies, equipment, machinery, tools and appliances, leases, easements and rights-of-way to Central California Telephone Company for the base purchase price of \$85,000.

1/ Applicants Greig have reported operating revenues of \$12,389.50 in 1957 and \$6,208.02 during the first six months of 1958, with net operating income of \$1,946.01 during the former year and \$772.10 for the first six months of this year.

They report balance sheet accounts as of June 30, 1958, as follows:

Telephone plant in service	\$80,334.26
Telephone plant under construction	6,305.38
Total telephone plant	<u>\$86,639.64</u>
Less - Depreciation reserve	11,403.16
Net telephone plant	<u>\$75,236.48</u>
Miscellaneous physical property	31.00
Materials and supplies	<u>621.95</u>
Total	<u><u>\$75,889.43</u></u>

On June 19, 1956, the Commission, by resolution, authorized applicants Greig to restate their plant accounts and depreciation reserve to reflect an historical cost appraisal as of December 31, 1955. The present telephone plant and reserve balances include these appraisal figures plus subsequent net additions and betterments.

Central California Telephone Company is a much larger utility engaged in furnishing local and toll telephone service in the Counties of Kern, Tulare, Kings, San Joaquin, Calaveras and Stanislaus. It proposes to adopt the present rates, rules and regulations of the Greigs and to improve and extend the service and facilities. Central California Telephone Company has filed an application for approval of an R.E.A. loan which will be utilized, among other things, to improve the plant now operated by the Greigs and to establish dial exchanges at Glennville, Pine Flat and Balance Rock. The purchaser estimates a potential in excess of 350 subscribers in the White River territory.

Upon the basis of the information before us, we are of the opinion, and so find, that the proposed transfer will not be adverse to the public interest and that the application should be

granted. Our action in this proceeding shall not be construed to be a finding of the value of the properties acquired by the new corporation or as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

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, therefore,

IT IS HEREBY ORDERED as follows:

1. Walter B. Greig and Thelma Greig, on and after the effective date hereof and on or before December 31, 1958, may transfer, substantially in accordance with the terms and conditions of the application, the telephone properties and business referred to in this proceeding, including a certificate of public convenience and necessity, to Central California Telephone Company, a corporation, and thereafter may withdraw from their public utility telephone operations.

2. On or before the date of actual transfer, Walter B. Greig and Thelma Greig 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, a corporation.

3. The rates, rules and regulations of Walter B. Greig and Thelma Greig, doing business as White River Telephone Exchange, now on file with the Commission shall be refiled within thirty days after the date of transfer under the name of Central California Telephone Company, a corporation, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refiling, Central California Telephone Company, a corporation, 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.

4. If the authority herein granted to transfer the properties is exercised, Central California Telephone Company, a corporation, within thirty days thereafter, shall notify the Commission in writing of the date of completion of the transfer.

5. Upon distributing to primary accounts the purchase price of the properties herein authorized to be transferred, Central California Telephone Company shall charge to telephone plant accounts and other asset accounts and shall credit to the depreciation reserve account, or accounts, the balances appearing on the books of Walter B. Greig and Thelma Greig as of the date of transfer.

6. The authority herein granted will become effective on the date hereof.

Dated at San Francisco, California, this 15th day of October, 1958.

[Signature]
President

[Signature]

[Signature]

[Signature]
Commissioners