

Decision No. 68365

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DELTA TELEPHONE AND TELEGRAPH COMPANY, a corporation, for authority to sell certain telephone facilities to THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY.)

) Application No. 47006
) (Filed September 28, 1964)
) (Amended November 17, 1964)

OPINION AND ORDER

Delta Telephone and Telegraph Company (Delta) requests authorization to sell, and The Pacific Telephone and Telegraph Company (Pacific) requests authorization to buy certain telephone facilities located in Yolo County in an area known as Liberty Island section of Delta's Courtland exchange which is contiguous to Pacific's Dixon exchange. A copy of the Purchase and Sales Agreement is attached to the application as Exhibit A, the Bill of Sale as Exhibit B, and revised exchange boundaries as Exhibits C and D. As of May 1964 the estimated book cost of the facilities was \$7,107.31, the estimated depreciation reserve, \$2,549.74 and estimated net book cost, \$4,557.57.

The agreed consideration is \$3,500 plus sales tax of \$140, or a total of \$3,640 subject to adjustment at the request of either party to reflect any substantial change occurring in said facilities between the date of agreement and date of sale. In case a dispute should arise with respect to the adjusted price, each of the parties will appoint an appraiser to determine the purchase price. Should this fail, then the appraisers will select an arbiter whose written decision and award, if agreed to by one of the two appraisers, shall be binding upon the parties. Personal property taxes for the fiscal year in which the sale is consummated shall be paid by Delta and prorated as of the date of sale, provided that if the sale is not consummated before the amount of personal property taxes is

ascertainable, then such proration shall be deferred until the amount is ascertainable. ✓
✓

Delta alleges that for many years it has encountered difficulties in providing and maintaining service to Liberty Island due to the flooding conditions in winter and the distance from its Courtland repair facilities which is 100 miles round trip by road.

At the time of this application there were 27 subscribers on the island, of which 14 had Dixon foreign exchange service and 13 had Courtland exchange service. A joint meeting was held on July 1, 1964, which was attended by various interested parties, including a majority of the telephone subscribers, for the purpose of developing service requirements of this island for Dixon exchange service from Pacific and advising them of rate increases. As a result of this meeting the following Dixon exchange service requirements were developed: 13 suburban residence, 4 suburban business, one 1-party flat residence, one 2-party flat residence, six 2-party flat business, and one public telephone. Rate increases will occur because the filed monthly tariff rates of Pacific's Dixon exchange generally are higher than those of Courtland exchange, as indicated by the following comparison:

	<u>Delta's Courtland Exchange</u>	<u>Pacific's Dixon Exchange</u>
1-Party Business	\$5.85	\$7.00
2-Party Business	4.50	5.60
1-Party Residence	3.25	4.40
2-Party Residence	2.75	3.60
4-Party Residence	2.25	3.00
Suburban Business	4.00	5.10
Suburban Residence	2.75	3.50

Exhibit A of the Amendment to Application contains signatures of 21 subscribers acknowledging that they are aware of and do not object to the increase in charges resulting from the transfer.

The agreement provides that it will have no further force or effect if the application is denied or if the sale is not consummated within 90 days after the effective date of authorization.

The Commission finds that the proposed sale would not be adverse to the public interest and should result in improved telephone service; that a public hearing is not necessary; that such increases in rates as will result from a granting of this application are justified; and that present rates insofar as they differ from those herein prescribed, upon transfer of the property will for the future be unjust and unreasonable.

The action taken herein shall not be construed to be a finding of value of the property herein authorized to be transferred.

IT IS ORDERED that:

1. Delta Telephone and Telegraph Company is authorized to sell and convey to The Pacific Telephone and Telegraph Company the telephone facilities described in the Bill of Sale attached to the application as Exhibit B, and to consummate said transaction in accordance with the terms of the agreement attached to the application as Exhibit A. ✓

2. Delta Telephone and Telegraph Company shall, upon consummation of this sale, transfer to The Pacific Telephone and Telegraph Company its pertinent records, memoranda, and documents pertaining to the property sold. ✓

3. If the authorization herein granted is exercised, Delta Telephone and Telegraph Company and The Pacific Telephone and Telegraph Company shall, within thirty days thereafter, each notify this Commission in writing of the date of completion of the property transfer, and each shall file a copy of each journal entry used to record the sale or purchase on its books. ✓

4. On or before the date of actual transfer, Delta Telephone and Telegraph Company shall refund all customers' deposits and all advances for construction which are subject to refund. Any such unfunded deposits and advances shall be transferred to and become the obligation for refund of The Pacific Telephone and Telegraph Company.

5. Delta Telephone and Telegraph Company and The Pacific Telephone and Telegraph Company shall, within thirty days after the sale and transfer of the property, file four copies of tariff schedules, including tariff service area maps, in conformance with General Order No. 96-A. Such revised tariff sheets shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

6. The authority granted herein shall expire in the event that The Pacific Telephone and Telegraph Company does not consummate the purchase of the property under the terms of the agreement attached to the application as Exhibit A, and Delta Telephone and Telegraph Company shall notify this Commission in writing of the date of any such cancellation.

7. Upon transfer of the property, Delta Telephone and Telegraph Company is relieved of any further public utility responsibilities in connection with the transferred property.

The effective date of this order shall be twenty days after the date hereof.

Dated at San Francisco, California, this 22nd day of DECEMBER, 1964.

Fredrick B. Hallock
President
George G. Traver
William L. Bennett
Commissioners