

ORIGINAL

Decision No. 68944

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Sallie Kendall, owner of RIPON)
TELEPHONE EXCHANGE for an order)
authorizing the sale of her telephone)
properties to SAN JOAQUIN TELEPHONE)
COMPANY, a California corporation.)

Application No. 32602
(and Amendment)

FIRST SUPPLEMENTAL ORDER

By Decision No. 46123, dated August 28, 1951, in this proceeding, the Commission authorized the sale of the Ripon Telephone Exchange to San Joaquin Telephone Company. In authorizing the transfer, the Commission included as Ordering Paragraph 6 the following provision:

"San Joaquin Telephone Company shall maintain its records in such form as to make available information regarding the investment in telephone plant in Ripon, and the operating revenues and expenses applicable to such plant."

Subsequently, by Decision No. 48147, dated January 13, 1952, in Application No. 33494, the Commission fixed the same charges for both the Ripon and Manteca exchanges. Further, the Commission made no separate findings of rate base, expenses as between the two exchanges. Further, from past staff examination of the company's records the Commission found that the largest portion of the operating expense accounts of the company represents allocations of total expenses and that the results of this examination are of considerable accounting detail, and that the results

CORRECTION

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FIRST SUPPLEMENTAL ORDER

By Decision No. 46123, dated August 23, 1951, in this proceeding, the Commission authorized the sale of the Ripon Telephone Exchange to San Joaquin Telephone Company. In authorizing the transfer, the Commission included as Ordering Paragraph 6 the following provision:

"San Joaquin Telephone Company shall maintain its records in such form as to make available information regarding the investment in telephone plant in Ripon, and the operating revenues and expenses applicable to such plant."

Subsequently, by Decision No. 48147, dated January 13, 1953, in Application No. 33494, the Commission fixed the same rates and charges for both the Ripon and Manteca exchanges of the company, and made no separate findings of rate base, revenues or expenses as between the two exchanges. Further, it appears from past staff examination of the company's records that the largest portion of the operating expense accounts of the two exchanges represents allocations of total expenses involving considerable accounting detail, and that the results

produced by separate exchange accounts do not appear to justify the accounting costs involved.

The company is presently in the process of changing its accounting procedures for plant and the allocation of expenses, and in the interest of eliminating unnecessary accounting detail and expense, has requested that it be permitted to maintain its records without segregation between exchanges for plant, revenues and operating expenses.

Under these circumstances it appears that the Commission's order should be modified, as herein provided, so as to permit San Joaquin Telephone Company to revise its accounting procedures and henceforth keep its accounts for the system as a whole; therefore,

IT IS ORDERED that:

1. The provisions of Ordering Paragraph 6 of Decision No. 46123, dated August 28, 1951, are modified so as to permit San Joaquin Telephone Company to maintain its record of plant, revenues and operating expenses for the system as a whole, provided, however, that such permission is without prejudice to the Commission in the future requiring the company by special study to develop revenues, expenses or rate base by exchanges.
2. In all other respects, Decision No. 46123 remains unchanged.

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

Dated at San Francisco, California,
this 27th day of April, 1965.

Frederick B. Holbrook
President

John E. Beville

George P. Crover

Augustus

William B. Beaud
Commissioners