

ORIGINALDecision No. 69383

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of THE PACIFIC TELEPHONE AND
 TELEGRAPH COMPANY, a corporation, for
 authority to sell certain outside plant
 facilities to CALIFORNIA INTERSTATE
 TELEPHONE COMPANY.

Application No. 47619
 (Filed May 27, 1965)

OPINION AND ORDER

The Pacific Telephone and Telegraph Company (Pacific) requests authorization to sell to California Interstate Telephone Company (CITCO) certain outside plant facilities located between the Kernville and Isabella central offices within the Kernville exchange area, Kern County. A copy of the Purchase and Sales Agreement and a copy of the sample Bill of Sale are attached to the application as Exhibit A. The estimated original book cost of the facilities is \$8,932, the estimated depreciation reserve is \$2,567, and estimated net book cost is \$6,365.

The agreed consideration is \$10,184, plus sales tax of \$407.36, or a total of \$10,591.36, subject to adjustment at the request of either party to reflect any substantial change occurring in said facilities between the date of the agreement and the date of the sale. Should any dispute arise with respect to the adjusted price, each of the parties will appoint an appraiser to determine the purchase price. Should they fail to agree, then the appraisers will select an umpire, 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 Pacific and prorated as of the date of sale, provided that if the sale is not consummated before the amount of personal property tax is ascertainable, then such proration shall be deferred until such amount is ascertainable.

CITCO is constructing a new central office at the southwest end of Lake Isabella within CITCO's Kernville exchange. This new Isabella central office was expected to be in operation in June, 1965 and will become the new point of connection for toll circuits extending from Pacific's Bakersfield exchange. This new point of connection will be approximately 16 miles closer to Pacific's Bakersfield exchange than is the present point of connection at CITCO's central office in the City of Kernville. CITCO wishes to purchase said facilities as specified in Exhibit A, said facilities being located within the above-named exchange, in order to expedite the provision of interoffice trunks between the two above-named central offices. Pacific alleges that it will have no further use for said facilities when CITCO's Isabella central office becomes operative and that the consummation of the sale will not impair its ability to perform its duties to the public.

The agreement provides that it will have no further force or effect if the application is denied; however, if an order authorizing the sale of said facilities is obtained, the sale shall be consummated within 120 days after the effective date of said order.

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

The Commission finds that the proposed sale will not be adverse to the public interest; that a public hearing is not necessary; and concludes that the application should be granted, as herein provided.

IT IS ORDERED that:

1. The Pacific Telephone and Telegraph Company is authorized to sell and convey to California Interstate Telephone Company the facilities described in the Purchase and Sales Agreement and sample Bill of Sale, attached to the application as Exhibit A, and to consummate said transaction in accordance with the terms of said Purchase and Sales Agreement.

2. This transaction shall be accounted for in accordance with Section 31.2-21(a) and (b), Part 31, Uniform System of Accounts for Class A and Class B Telephone Companies.

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

4. Upon consummation of the sale, The Pacific Telephone and Telegraph Company and California Interstate Telephone Company shall, within thirty days thereafter, each notify this Commission in writing of the date of such completion of the property transfer herein authorized and of their compliance with conditions hereof, and shall each file a copy of each journal entry used to record the sale or purchase on their books.

5. Upon transfer of the property, The Pacific 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

13th day of July, 1965.

Frederick B. Holcomb
President
George S. Thayer
Augustin
William A. Bennett
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.