

Decision No. 70101

ORIGINAL

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 "N" carrier telephone equipment and associated facilities, buildings, building improvements, land and rights of way to GENERAL TELEPHONE COMPANY OF CALIFORNIA.

Application No. 48007
(Filed October 27, 1965)

OPINION AND ORDER

The Pacific Telephone and Telegraph Company (Pacific) requests authorization under Section 851 of the Public Utilities Code of the State of California to sell to General Telephone Company of California (General) certain "N" carrier telephone equipment and associated facilities, buildings, building improvements, land and rights of way located within General's Downey, Redondo, Long Beach, Covina and Whittier exchanges in accordance with the Purchase and Sales Agreement attached to the application marked Exhibit A.

The agreed consideration is \$1,523,900 plus applicable sales taxes of \$59,878.84 or a total of \$1,583,778.84 subject to adjustment to reflect any additions, removals or changes. The application states that estimated original book cost of said property is \$1,664,011, estimated depreciation reserve is \$287,897 and estimated net book cost is \$1,376,114. Property taxes paid or to be paid by Pacific shall be prorated between General and Pacific as of the date of the sale.

Pacific alleges that General desires, and is in a position, to provide and maintain "N" carrier telephone equipment in said exchanges and desires to purchase said facilities as set forth in

Exhibit A; and that the consummation of the sale will not impair Pacific's ability to perform its duties to the public.

The Purchase and Sales Agreement provides that it will have no further force or effect if the proposed sale is not consummated within 120 days after the effective date of Commission authorization and that the agreement may be terminated by written notice of either party if such authorization has not been granted on or before April 1, 1966.

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 would not be adverse to the public interest. A public hearing is not necessary.

IT IS ORDERED that:

1. The Pacific Telephone and Telegraph Company is authorized to sell and convey to General Telephone Company of California the telephone facilities described in the Purchase and Sales Agreement attached to the application as Exhibit A and to consummate such transaction in accordance with the terms of (1) Bill of Sale and Quitclaim Deed attached to the application as Exhibit B and (2) Land and Buildings Via Escrow attached to the application as Exhibit C.

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

3. This acquisition shall be accounted for as provided for in accordance with Section 31.2-21 of Part 31, Uniform System of Accounts for Class A and B Telephone Companies.

4. If the authorization herein granted is exercised, The Pacific Telephone and Telegraph Company and General Telephone Company of California shall, within 90 days thereafter, each notify this Commission in writing of the date of such 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.

5. The authority granted herein shall expire in the event that General Telephone Company of California does not consummate the purchase of the property under the terms of the Purchase and Sales Agreement attached to the application as Exhibit A, and Pacific shall so notify this Commission in writing.

6. 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.

San Francisco
Dated at _____, California, this 21st
day of December, 1965.

Fredrick B. Holdoff
President
George L. Trover
Commissioners