

ORIGINAL

Decision No. 72231

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application
of

MELVIN L. PUGH, JR. dba
UKIAH ANSWERING SERVICE

and

LARKIN D. YOUNCE AND
RODNEY L. ZIMMERMAN, Co-Partners

Application No. 49158
Filed February 20, 1967

For Authority to transfer
Radiotelephone Utility System
KMM-657, Ukiah California,
together with Certificate of
Public Convenience and Necessity
to Larkin D. Younce and
Rodney L. Zimmerman.

O P I N I O N

This is an application for an order of the Commission authorizing Melvin L. Pugh, Jr., doing business as Ukiah Answering Service, to sell, assign and transfer his radiotelephone utility system and related assets to Larkin D. Younce and Rodney L. Zimmerman, and authorizing the latter to assume long-term indebtedness and to issue a promissory note in the principal amount of \$2,500.

Melvin L. Pugh, Jr. conducts radiotelephone public utility operations in the City of Ukiah and vicinity pursuant to the certificate of public convenience and necessity granted by Decision No. 69162, dated June 1, 1965, in Application No. 47359.

He seeks authorization to sell, assign and transfer his radio-telephone operating rights, together with certain physical equipment and related assets to Larkin D. Younce and Rodney L. Zimmerman.

The purchasers propose to acquire said assets for \$4,000 and the assumption of the outstanding \$6,713.41 balance of an existing Small Business Administration loan. Under the purchase agreement, a copy of which is attached to the application as Exhibit A, the down payment would be \$1,500 cash, and the \$2,500 balance of the purchase price would be represented by a promissory note repayable at the rate of \$125 per month, including interest on the unpaid balance at the rate of 7% per annum.

The proposed purchasers, Larkin D. Younce and Rodney L. Zimmerman, are established businessmen in the City of Ukiah. Their individual financial statements, attached to the application, show that they have ample financial resources to support the proposed acquisition. The application states that these men would bring sound financing, business experience and community involvement to the support of the utility.

The Commission has considered this matter and finds that: (1) the proposed sale, assignment and transfer will not be adverse to the public interest; (2) the money, property or labor to be procured or paid for by the issue of the note herein authorized is reasonably required for the purpose specified herein; and (3) such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

The action taken herein is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

The authority herein granted is subject to the following provision of law:

"The commission shall have no power to authorize the capitalization of the right to be a corporation, or the capitalization of any franchise or permit, or the right to own, operate, or enjoy any such franchise or permit, in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the grant of such franchise, permit or right."

O R D E R

IT IS ORDERED that:

1. Melvin L. Pugh, Jr., on or after the effective date hereof and on or before December 31, 1967, may sell, assign and transfer, and Larkin D. Younce and Rodney L. Zimmerman may purchase and acquire, the radiotelephone public utility operating rights and other assets referred to in this proceeding.

2. Larkin D. Younce and Rodney L. Zimmerman, on or after the effective date hereof and on or before December 31, 1967, in acquiring said assets, may assume the indebtedness referred to in the application and may issue a promissory note in the principal amount of not to exceed \$2,500. Said note shall be in the same form, or in substantially the same form, as that attached to the application as Exhibit F.

3. As a condition of the authority herein granted, Larkin D. Younce and Rodney L. Zimmerman are hereby directed to continue the public utility responsibilities of Melvin L. Pugh, Jr. with respect to the area served by the radiotelephone system being transferred.

4. Within sixty days after the date of actual transfer, the tariffs of Melvin L. Pugh, Jr. now on file with this Commission shall be refiled under the names of Larkin D. Younce and Rodney L. Zimmerman in accordance with the procedure prescribed in General Order No. 96-A, or, in lieu of such refileing, Larkin D. Younce and Rodney L. Zimmerman may file within thirty days after the date of actual transfer, by advice letter, a notice of adoption of said presently filed tariffs. No increase in the presently filed tariffs shall be made unless authorized by this Commission.

5. Melvin L. Pugh, Jr., on or before the date of actual transfer, shall refund all customers' deposits and advances which are subject to refund. Any unrefunded deposits and advances shall be transferred to and become the obligation for refund of Larkin D. Younce and Rodney L. Zimmerman.

6. On or before the end of the third month after the consummation of the transfer as herein authorized, Larkin D. Younce and Rodney L. Zimmerman shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the operations of the transferor for the period commencing with the first day of the current year to and including the effective date of the transfer.

7. On or before the date of actual transfer of the specific properties herein authorized, Melvin L. Pugh, Jr. shall transfer and deliver to Larkin D. Younce and Rodney L. Zimmerman, and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the radiotelephone utility authorized to be transferred.

8. If the authority herein granted is exercised, Larkin D. Younce and Rodney L. Zimmerman shall, within thirty days thereafter, notify the Commission, in writing, of the date of such completion of the property transfer herein authorized and of their compliance with the conditions hereof.

9. Upon compliance with the above ordering paragraphs, Melvin L. Pugh, Jr. is hereby relieved of his public utility responsibilities with respect to the property being transferred coincident with the full assumption of such responsibilities by Larkin D. Younce and Rodney L. Zimmerman.

10. Larkin D. Younce and Rodney L. Zimmerman shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

11. This order shall become effective when Larkin D. Younce and Rodney L. Zimmerman have paid the minimum fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$25.

Dated at San Francisco, California, this 4th day of APRIL, 1967.

Larkin D. Younce
 President

Rodney L. Zimmerman

Augustus

William Simpson

Paul P. Morrison
 Commissioners

PUBLIC UTILITIES COMMISSION
 STATE OF CALIFORNIA

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 25.00

BY *[Signature]*