

Decision No. 14341

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
 MONROVIA TELEPHONE & TELEGRAPH COMPANY,)
 a corporation, for authority to issue) Application Number 10615
 stock.)

Ernest Irwin, for Applicant.

BY THE COMMISSION :

ORIGINAL

OPINION

Monrovia Telephone & Telegraph Company asks permission to issue and sell at not less than \$90.00 per share, 285 shares (\$28,500.00 par value) of common stock and use the proceeds to pay debts and acquire additional telephone properties.

Monrovia Telephone & Telegraph Company was organized in 1903. It has an authorized stock issue of \$100,000.00 divided into 1,000 shares of \$100.00 each. Stock in the amount of \$71,500.00 is now outstanding. Applicant's funded debt consists of \$25,000.00 of first mortgage 6 per cent bonds due January 1, 1934, all of which are outstanding. Its notes payable are reported at \$5,000.00. It is of record that the money obtained through the issue of the notes was used to pay in part for the following :-

Final payment on building	\$ 2,000.00
Payment on switchboard equipment	738.79
Station equipment	853.58
Line material used in construction	998.84
Construction pay roll	<u>737.15</u>
	<u>\$ 5,328.36</u>

The testimony shows that applicant should forthwith expend for the acquisition and construction of additional telephone properties the sum of \$10,223.95. Such amount applicant intends to expend for the following purposes :-

75 telephones, average \$10.50 each	\$	787.50
Installation 75 telephones, material and labor		525.00
Additions to switchboard, per estimate from Kellogg Switchboard & Supply Co.		2,283.45
Labor and incidentals installing same		800.00
Estimated cost of cable additions :-		
5000' - 100 pr. - 37¢		1,850.00
2000' - 50 pr. -.239		478.00
Labor, cable terminals, etc. on cable addition		1,500.00
Poles, 2 carloads		2,000.00
		<u>\$10,223.95</u>

It is of record that applicant at this time has 75 delayed telephone orders.

No detailed information was submitted as to the additional construction expenditures which applicant intends to finance through the issue of \$11,500.00 of stock. J. M. Baldwin, applicant's vice president, testified that in order to give adequate and satisfactory telephone service it will be necessary for the company to spend additional amounts within the near future to increase its telephone facilities. Inasmuch as applicant has not furnished the Commission with a detailed statement showing the purposes for which the proceeds from the sale of \$11,500.00 of stock will be expended, the order herein will provide that such proceeds shall be deposited with a bank and expended only for purposes hereafter authorized by the Commission.

ORDER

Monrovia Telephone & Telegraph Company, having applied to the Railroad Commission for permission to issue \$28,500.00 of common stock, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by the issue of such stock is reasonably required by applicant and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED as follows :-

1. Monrovia Telephone & Telegraph Company may issue and sell on or before June 30, 1925 at not less than \$90.00 per share 285 shares (\$28,500.00 par value) of common stock and use the proceeds from the sale of \$17,000.00 of such stock to pay the \$5,000.00 of notes and the cost of acquiring and constructing the improvements referred to in the foregoing opinion. The proceeds obtained from the sale of the remaining \$11,500.00 of stock and any proceeds from the \$17,000.00 of stock not needed for the purposes mentioned shall be deposited with a bank and may be expended only for such purposes as the Commission will authorize by supplemental order or orders.
2. Monrovia Telephone & Telegraph Company shall keep such record of the issue, sale and delivery of the stock herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th. day of each month a verified report, as required by the Railroad Commission's General Order Number 24, which order in so far as applicable, is made a part of this order.
3. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 9th day of December, 1924.

C. Seavey
Dwight Martin
Ernest Shore

Commissioners.