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Decision No. 14425.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SAN FERNANDO TELEPHONE AND TELEGRAPH)
COMPANY, a corporation, for authority) Application Number 10651
to issue stock.)

Ernest Irwin, for Applicant.

ORIGINAL

BY THE COMMISSION:

OPINION

San Fernando Telephone and Telegraph Company asks permission to issue and sell at par \$20,000.00 of its common capital stock and use the proceeds to acquire, construct and install additional telephone properties.

Applicant has an authorized stock issue of \$50,000.00 divided into 500 shares of \$100.00 each. Stock in the amount of \$20,000. is now outstanding. Reports on file with the Commission show that the outstanding stock is owned by R. J. McHugh, Walter F. Dunn and J. M. Baldwin. It is of record that the \$20,000.00 of stock which the company now seeks permission to issue will be purchased by applicant's present stockholders.

Applicant has a funded debt of \$16,250.00.

In connection with Application Number 4893 the Commission's engineers estimated the historical reproduction cost of applicant's properties as of August 1, 1919 at \$37,740.45 and the historical reproduction cost depreciated at \$28,564.00. Since the date of the appraisal

the company reports that it has expended for additions and betterments the net amount of \$37,292.54. Applicant in its Exhibit No. 2 reports \$23,188.65 as a preliminary estimate of the cost of new construction. The cost of the plant that will be retired because of the new construction is estimated at \$4,000.00, leaving net additions of \$19,188.65. It is to finance this expenditure that applicant asks permission to issue and sell at par \$20,000.00 of common stock.

O R D E R

San Fernando Telephone and Telegraph Company having applied to the Railroad Commission for permission to issue and sell \$20,000.00 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 such issue is reasonably required by applicant and that this application should be granted as herein provided, therefore:

IT IS HEREBY ORDERED that San Fernando Telephone and Telegraph Company be, and it is hereby, authorized to issue and sell on or before December 15, 1925, at not less than par for cash, \$20,000.00 of its common capital stock and use the proceeds to pay such cost of the additions and betterments described in Applicant's Exhibit No. 2 as is properly chargeable to fixed capital account under the Uniform System of Accounts prescribed by the Interstate Commerce Commission and adopted by this Commission. Any proceeds not used for said purposes may be expended only for such purposes as may hereafter be authorized by the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that applicant 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 No. 24, which order in so far as applicable, is made a part of this order.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof.

DATED at San Francisco, California, this 8th day of January, 1925.

W. H. ...
H. T. ...
Egerton Shore

Commissioners.