

Decision No. _____

ORIGINAL

Decision No. 4299

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

In the matter of the Application)
of ROSEVILLE TELEPHONE COMPANY) Application No. 2797
for order authorizing issue of)
stock.)

W. Hanisch for Applicant.

BY THE COMMISSION:

O P I N I O N

A public hearing was held by Examiner Westover at Roseville on above application to issue \$9020 of applicant's stock at par for cash, and use \$4043.59 of the proceeds to reimburse applicant's treasury for betterments and improvements constructed from earnings, and use the remaining \$4976.41 for the construction of betterments and improvements in applicant's telephone system at Roseville upon supplemental orders from time to time.

Applicant operates a telephone system in and about Roseville, Placer County, serving about 570 subscribers 92 of which it added during 1916. Its present switchboard will accomodate only about 25 additional subscribers. The community is growing rapidly in industrial and commercial importance, and in population. It appears that applicant's switchboard capacity must soon be increased and that about four miles of new line should be constructed at an estimated

cost of about \$400. Applicant has not determined whether to enlarge its present switchboard at an estimated cost of \$200 to \$400, or to install a new switchboard of a different type costing \$3000 or more.

With the application is submitted an exhibit showing the investment of \$4,043.59 for additions and betterments. This exhibit has been checked by the Commission's engineers and found correct. The amount appears from the testimony and from applicant's annual reports to have been paid from earnings.

Roseville Telephone Company was organized in April, 1914, with a capital stock of \$25,000 divided into 2500 shares of the par value of \$10 each, of which \$14,930 par value has been issued. It has no bonds or notes outstanding.

By Decision, No. 1491^{1/2} of May 7, 1914, (Vol. 4, Opinions and Orders of the Railroad Commission of California, p. 975) the Commission authorized the issue of 1100 shares of applicant's stock in exchange for its plant and system acquired from Roseville Home Telephone Company. It appears from an investigation by our auditor's force that 52 shares of this stock were returned to applicant's treasury by the stockholders on August 7, 1914, where they still remain. These 52 shares are included in the 500 shares authorized in the order.

The authority to issue a total of 500 shares we think will be sufficient for applicant's present purposes. If it develops that a new switchboard is needed and desired, the matter can be covered by a supplemental order if necessary.

ORDER

ROSEVILLE TELEPHONE COMPANY having applied to the Railroad Commission of the State of California for an order authorizing it to issue for cash \$9020 of its capital stock at par value thereof and to use \$4043.59 of the proceeds to reimburse its treasury for betterments and additions constructed out of earnings and to use \$4976.41 for the construction of additions and betterments from time to time in the future, and a public hearing having been held on said application and it appearing to the Commission that the money to be procured by the issue authorized herein is reasonably required for the purposes specified in the order, which purposes are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Roseville Telephone Company be and it is hereby authorized to issue for cash at not less than par net to applicant 500 shares of its capital stock of the par value of \$10 each and use \$4043.59 of the proceeds thereof to reimburse its treasury for additions and betterments heretofore constructed out of earnings and use the remainder thereof for the construction of additions and betterments from time to time in the future.

The authority herein granted is upon the following conditions:

1. The authority herein granted shall not be binding in any proceeding before this Commission or any tribunal, court or public body, as a finding by this

Commission of the value of applicant's property for any purpose other than that of the present application.

2. Until all the stock herein authorized has been issued applicant shall on or before the 25th day of each month make a verified report to the Railroad Commission showing stock issued and the application of the proceeds in such manner and detail as is required by the Commission in its General Order No. 24, which order in so far as applicable is made part of this order.

3. This authority shall extend only to such stock as may be issued on or before December 31, 1917.

Dated at San Francisco, California, this 30
day of May, 1917.

Max Thelen

W. H. ...

Edwin O. Edgerton

Frank R. DeWolfe

Commissioners.