

Decision No. 7210.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE  
STATE OF CALIFORNIA.

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In the Matter of the Application of  
LINDSAY HOME TELEPHONE AND TELEGRAPH COMPANY,  
a corporation, for an order authorizing it  
to issue and sell \$2,900.00 face value of  
Series B bonds.

Application Number 5305.

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Sanborn & Roehl, by A.B. Roehl, for applicant.

BY THE COMMISSION:

O P I N I O N.

LINDSAY HOME TELEPHONE AND TELEGRAPH COMPANY asks permission to issue \$2,900.00 face value of Series "B" 6 per cent bonds, and sell the bonds at not less than 93 per cent of their face value plus accrued interest for the purpose of obtaining moneys to pay indebtedness incurred to finance the construction of additions and betterments and reimburse its treasury.

A public hearing was held before Examiner Westover at San Francisco on February 28th.

Applicant reports the cost of additions and betterments to plant during 1919 at \$5,018.93. The petition shows that to finance these improvements, applicant has incurred current liabilities of \$1,712.71, drew upon its reserve for accrued depreciation in the amount of \$2,772.90 and on its surplus in the amount of \$533.32.

Applicant reports assets and liabilities as of December 31, 1919, as follows:

ASSET ACCOUNTS:

|  |                    |
|--|--------------------|
| Plant and equipment, . . . . .           | \$39,700.28        |
| Gross plant and equipment, . . . . .     | \$52,194.01        |
| Less reserve for depreciation, . . . . . | <u>12,493.78</u>   |
| Current assets, . . . . .                | 995.55             |
| Sinking fund, . . . . .                  | 963.75             |
| Unamortized discount on bonds, . . . . . | <u>718.50</u>      |
| T o t a l , . . . . .                    | <u>\$42,378.03</u> |

LIABILITY ACCOUNTS:

|  |                    |
|--|--------------------|
| Capital stock outstanding, . . . . .         | \$25,000.00        |
| Funded debt -first mortgage bonds, . . . . . | 12,100.00          |
| Bills payable, . . . . .                     | 350.00             |
| Accounts payable, . . . . .                  | 2,757.76           |
| Surplus, . . . . .                           | <u>2,170.27</u>    |
| T o t a l , . . . . .                        | <u>\$42,378.03</u> |

During 1918 applicant, after paying operating expenses, taxes and interest, reported a balance of \$1,894.81 and for 1919, a balance of \$2,033.32. Applicant's surplus earnings for 1919 have been more than sufficient to pay interest on the \$2,900.00 of bonds which it now desires to issue.

Chas. H. Button, president and manager of Lindsay Home Telephone and Telegraph Company, testified that both the investment of applicant and its earnings are and have been sufficient to permit the trustee to certify the \$2,900.00 of bonds.

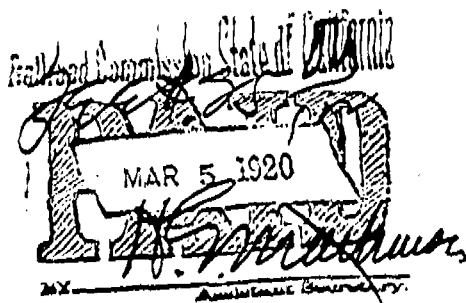
O R D E R.

LINDSAY HOME TELEPHONE AND TELEGRAPH COMPANY having applied to the Railroad Commission for permission to issue \$2,900.00 of its "Series B" 6 per cent bonds, a public hearing having been held, 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 for the purpose or purposes specified in this order and that the expenditures for such purpose or purposes are not in whole or in part reasonably chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that LINDSAY HOME TELEPHONE AND TELEGRAPH COMPANY be, and it is hereby, authorized to issue and sell, on or before September 1, 1920, at not less than 93 per cent of their face value, plus accrued interest, \$2,900.00 of its "Series B" 6 per cent bonds, PROVIDED -

- 1.---That, applicant will use the proceeds obtained from the sale of the bonds to pay \$350.00 of indebtedness represented by bills payable; \$1,543.06 of indebtedness represented by accounts payable, all of which is referred to in the testimony herein, and use the remainder of the proceeds to reimburse its treasury.
- 2.---That, the authority herein granted will not become effective until applicant has paid the fee prescribed by the Public Utilities Act.
- 3.---That, Lindsay Home Telephone and Telegraph Company will keep such record of the issue and sale of the bonds 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.

Dated at San Francisco, California, this 4<sup>th</sup> day of March, 1920.



Edwin O. Edgerton

[Signature]

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Dwight Martin  
Commissioners.