

Decision No. 8361.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

**ORIGINAL**

In the Matter of the Application )  
of the Macdoel Telephone Company, )  
a corporation, for a certificate )  
of convenience and necessity to )  
operate a telephone line at and )  
around Macdoel in the County of )  
Siskiyou, State of California, )  
and to issue stock. )

Application No. 4915.

Collier and McNamara

J. P. McNamara for the Macdoel Telephone Company.

By the Commission:

O P I N I O N

Macdoel Telephone Company, applicant in this proceeding owns and operates a small telephone system in and adjacent to the unincorporated town of Macdoel, Siskiyou County, California. In its application it is asking an order of the Railroad Commission granting,

1. A certificate of Public Convenience and necessity as provided in Section 50 (a) of the Public Utilities Act.

2. For authority on the part of the Macdoel Telephone Company, Inc., to acquire the property and business of the Butte Valley Mutual Telephone Association and for authority on the part of the Butte Valley Mutual Telephone Association to transfer its property and business to the Macdoel Telephone Company, Inc.

(3) For authority on the part of the Macdoel Telephone Company, Inc., to issue eighteen shares of its capital stock to its stock-holders in payment for their respective interests in the property of the Butte Valley Mutual Telephone Association, in lieu of stock heretofore unlawfully issued for said purpose.

(4) For authority on the part of the Macdoel Telephone Company, Inc., to publish, file and place in effect rates, rules and regulations.

A public hearing was held at Dorris, California, May 28th, 1920, before Examiner Satterwhite.

The application sets forth that the Butte Valley Mutual Telephone Association was organized in 1907 as a farmers' line and was maintained and supported by assessments levied on its members. That it acquired and constructed about 15 miles of telephone line, being the same property now held by the applicant, Macdoel Telephone Company, Incorporated. That said association consisted of eighteen members who paid \$40.00 each for the construction of its line and present equipment. That during the year 1916 the members of said association in order to put its business on a proper basis incorporated under the name of Macdoel Telephone Company, and certificate of incorporation was issued on March 22nd, 1917. That all of the members of said association became members of the Macdoel Telephone Company, Inc. That the members of said association transferred to Macdoel Telephone Company, Inc., their respective interests in said association, and that Macdoel Telephone Company, Inc., issued to each of said members in payment for their said interest one share of its capital stock at the par value of \$40.00 per share.

The application further sets forth that the town of Macdoel is not incorporated and that the applicant is advised and believes no permit from any local authority is required to operate within the limits of said town; that all of applicants' lines are constructed along public and private highways; that applicant has petitioned the Board of Supervisors of Siskiyou County for a permit for the construction of said lines along said public highways, and has been advised that said Board has no authority to grant such permit as the interest owned by the County in said public highways is only an easement but said Board, however, has no objection to said telephone line as same is constructed.

The Commission does not agree with the contention of applicant that a county board of supervisors can not grant a franchise in cases such as this and is unwilling, unless a franchise or permit is first obtained, to grant a certificate under Section 50 of the Public Utilities Act. Applicant has been advised of this and has since obtained a satisfactory permit from the Board of Supervisors of Siskiyou County to construct and maintain telephone poles and supports along the county highways, and has forwarded a copy of said permit to the Commission.

The rates which applicant proposes to file and make effective with the Commission's authorization are as follows:

To regular subscribers and holders of telephones,  
one dollar (\$1.00) per month.

Switching charge for nonsubscribers, ten cents  
per call.

The eighteen shares of its capital stock heretofore illegally issued is the only stock issued and outstanding. The Company has issued no bonds and has no other indebtedness.

No other public utility is now furnishing local telephone service in the territory in which applicant is operating. Applicant's system, however, connects with the system of the Klamath

Telephone and Telegraph Company for long distance toll service to outside points.

It appears that the public convenience and necessity require the operation of applicant's system. It appears further that the stock heretofore issued by applicant without the prior authority of the Commission was issued in ignorance of the fact that the consent of the Commission should have been secured before this stock was issued and that the proceeds derived therefrom were used for proper capital purposes.

We are accordingly of the opinion that the various matters for which Commission authorization is now sought are in the public interest and that this application should be granted.

#### O R D E R

Application having been filed with the Railroad Commission by the Macdoel Telephone Company, a corporation, for an order granting a certificate of public convenience and necessity and authorizing petitioner to issue eighteen shares (18) of its capital stock in lieu of a like number of shares of stock heretofore illegally issued, and authorizing petitioner to publish, file and place in effect rates, rules and regulations, all as set forth in the Opinion preceding this Order;

A public hearing having been held, the Commission being fully advised, and it appearing to the Commission that the application should be granted;

IT IS HEREBY ORDERED as follows:

1. Macdoel Telephone Company is hereby granted a certificate of public convenience and necessity authorizing it, in connection with and by virtue of that certain permit to erect telephone poles etc., granted it by the Board of Supervisors of Siskiyou County, California, on November 1st, 1920, to construct and operate a telephone system in, and in the vicinity of, the unincorporated town of Macdoel, Siskiyou County, California.
2. Macdoel Telephone Company is hereby authorized to acquire the property and business of Butte Valley Mutual Telephone Association and Butte Valley Mutual Telephone Association is hereby

authorized to transfer to Macdoel Telephone Company its property and business in, and in the vicinity of, Macdoel, Siskiyou County, California.

3. Macdoel Telephone Company is hereby authorized to issue eighteen (18) shares of its capital stock on the following conditions and not otherwise, to-wit:

- (a) Said stock herein authorized shall be issued to the following persons in substitution of an equal number of shares shown to have been illegally issued as follows:

<u>Date Issued</u>	<u>Certificate Number</u>	<u>Issued To</u>	<u>Number Shares</u>	<u>Amount</u>
April 25, 1917	1	S. K. Adams	1	\$40.00
" " "	2	E. O. Bissell	1	40.00
" " "	3	Chas. Brannon	1	40.00
" " "	4	Butte Valley Land Co.	1	40.00
" " "	5	R. S. Green	1	40.00
" " "	6	J. D. Hammond	1	40.00
" " "	7	Herman Holzhauser	1	40.00
" " "	8	H. F. Maust	1	40.00
" " "	9	O. C. Maust	1	40.00
" " "	10	C. Messick and Son	1	40.00
" " "	11	Noah Miller	1	40.00
" " "	12	O. M. Moore	1	40.00
" " "	13	A. Preussler	1	40.00
" " "	14	Z. E. Randall	1	40.00
" " "	15	Smith and Maust	1	40.00
" " "	16	D. H. Withers	1	40.00
" " "	17	Leo A. Wolfe	1	40.00
" " "	18	A. Y. Truax	1	40.00

- (b) Before said stock shall be issued, the certificates of stock in lieu of which said stock is hereby authorized to be issued shall be called in by the applicant and cancelled.

- (c) The authority herein granted to issue stock shall apply only to such stock as shall be issued on or before June 30, 1921.

4. Macdoel Telephone Company is hereby authorized within 30 days of the date of this order to publish and file with the Railroad Commission and make effective a schedule of rates as set forth in the Opinion preceding this order, provided that until further order of the Railroad Commission the Macdoel Telephone Company shall continue in effect rules and regulations in accordance with the provisions of this Commission's Decision No. 2879, dated November 5, 1915, as modified by Decision No. 8146, dated September 24, 1920, in so far as said rules and regulations are applicable in this case.

Dated at San Francisco, California, this 26<sup>th</sup> day of

November, 1920.

H. P. ...  
W. ...  
 Commissioners.

Edwin G. Edgerton  
...  
...  
 Commissioners.