

Decision No. 28782

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of the )  
FOWLER INDEPENDENT TELEPHONE COMPANY, )  
a corporation, for authority to increase ) Application No. 4982  
its rates for telephone service. )

BY THE COMMISSION:

ORIGINAL

FIRST SUPPLEMENTAL OPINION AND ORDER

The Railroad Commission, by its order in Decision No. 7577, dated May 17, 1920, authorized Fowler Independent Telephone Company to file a new rate schedule, such authorization being subject to the following condition, among others:-

"(b) A depreciation reserve annuity equal to 4-1/10% of the depreciable portion of the reproduction cost as of January 1, 1920, plus all subsequent depreciable additions and betterments shall be set aside in monthly installments, for the purpose of maintaining the plant in good condition and shall be used for such purposes only, and as may be authorized by this Commission."

The company now asks, in its first supplemental application in the above entitled matter, that the Commission make its order vacating and setting aside said condition (b). In this connection it alleges that following the date of the Commission's order it regularly made charges to its operating expenses to provide for depreciation and corresponding credits to its reserve for depreciation but that it did not set aside in a cash fund the amounts thus credited to its reserve, for the reason that it did not interpret the order as requiring it to do so. It alleges further that in the main the moneys represented by its reserve have been invested in its plant and equipment.

The financial condition of the company, as of December 31, 1935, is indicated by its balance sheet, as follows:-

ASSETS

Plant and equipment . . . . .		\$46,209.35
Current assets:		
Cash . . . . .	\$4,629.62	
Due from subscribers . . . . .	1,219.20	
Accounts receivable . . . . .	652.55	
Materials and supplies . . . . .	<u>352.77</u>	6,854.14
Prepayments . . . . .		266.40
Other debit accounts . . . . .		<u>44.03</u>
Total . . . . .		<u>\$53,373.92</u>

LIABILITIES

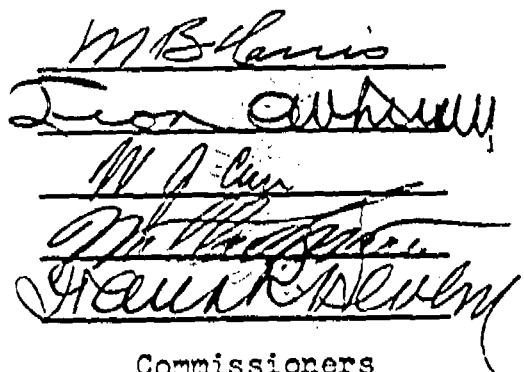
Capital stock-Common . . . . .		\$ 8,310.00
Premium on capital stock . . . . .		1,313.50
Current liabilities:		
Accounts payable . . . . .	1,201.89	
Accruals . . . . .	<u>131.86</u>	1,333.75
Depreciation reserve . . . . .		26,285.29
Surplus . . . . .		<u>16,131.38</u>
Total . . . . .		<u>\$53,373.92</u>

For the past few years the company has been controlled through stock ownership by Associated Telephone Company, Ltd.

It appears to us that the position of Fowler Independent Telephone Company has greatly improved since 1920 and that there is no necessity for continuing in effect condition (b) of the order in said Decision No. 7577 dated May 17, 1920, therefore,

IT IS HEREBY ORDERED that condition (b) of the order in Decision No. 7577, dated May 17, 1920, be, and the same is hereby vacated and set aside.

DATED at San Francisco, California, this 4th day of May, 1936.

  
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