

ORIGINAL

Decision No. 49534

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
Sunland-Tujunga Telephone Company, a	:	
corporation, for an Order of the)	Application
Commission authorizing it to issue	:	No. 34986
9,000 shares of Common Stock.)	
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O P I N I O N

Sunland-Tujunga Telephone Company has filed this application for authorization to issue 9,000 shares of its common stock, of the par value of \$25 each and of the aggregate par value of \$225,000, and to sell said shares, at par for cash, for the purpose of paying indebtedness and of financing the cost of property.

Applicant owns and operates a telephone system providing local and inter-exchange telephone service for the communities of Sunland, Tujunga, Shadow Hills and La Tuna Canyon in the County of Los Angeles. It has reported its revenues and expenses as follows:

	<u>1951</u>	<u>1952</u>	<u>1953</u> <u>8 Mos.</u>
Operating revenues	\$464,530	\$509,886	\$389,517
Operating expenses	<u>351,518</u>	<u>388,727</u>	<u>297,771</u>
Net operating income	<u>\$113,012</u>	<u>\$121,159</u>	<u>\$ 91,746</u>

Applicant's financial statement shows its assets, liabilities and capital as of August 31, 1953, as follows:

offer its shares of stock directly to purchasers within the State of California from time to time as it has need for funds, and presently expects its offerings will extend to the middle of 1955. It estimates its capital structure as of the end of 1954 will be as follows:

Long-term debt	35.6%
Preferred stock	13.3
Common stock	42.1
Surplus	<u>9.0</u>
Total	<u>100.0%</u>

The Commission has considered this application and is of the opinion that applicant will have need for additional financing to meet its capital costs, that the issue and sale of shares of stock as proposed should be undertaken by applicant, and that the money, property or labor to be procured or paid for by the issue and sale of the shares of stock herein authorized is reasonably required by applicant for the purposes specified herein, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

Accordingly, the Commission will enter an order granting the application.

O R D E R

The Commission having considered the above entitled matter, and being of the opinion that a public hearing is not necessary and that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED as follows:

1. Sunland-Tujunga Telephone Company may issue and sell, on or before June 30, 1955, not exceeding 9,000 shares of its common stock, at par for cash, for the purposes set forth in this application.

2. Sunland-Tujunga Telephone Company shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

3. The authority herein granted will become effective 20 days after the date hereof.

Dated at San Francisco, California, this 12th day of January, 1954.

R. E. [Signature]
President

Justin J. [Signature]

[Signature]

[Signature]

[Signature]
Commissioners