

Decision No. 50658

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 VIRGIL A. ROOME, doing business as)
 Ducor Telephone Company, a sole)
 proprietorship, and)
 DUCOR TELEPHONE COMPANY, a)
 corporation,)
 for an order authorizing:)
 a) Virgil A. Roome to sell and)
 Ducor Telephone Company, a corpora-)
 tion, to purchase the properties)
 owned by him and consisting of the)
 Ducor Telephone Company;)
 b) Virgil A. Roome to withdraw)
 from the public utility telephone)
 business;)
 c) Ducor Telephone Company, a cor-)
 poration, to engage in the public)
 utility telephone business now being)
 conducted by Virgil A. Roome;)
 d) Ducor Telephone Company, a cor-)
 poration, to issue stock; and)
 e) Ducor Telephone Company, a cor-)
 poration, to execute and deliver a)
 conditional sales contract.)
 -----)

Application
No. 35824

O P I N I O N

In this application the Commission is asked to make an order authorizing Ducor Telephone Company, a corporation, to issue 1,140 shares of common stock, of the par value of \$11,400, and to enter into a conditional sales contract with Stromberg-Carlson Company for the purchase of equipment.

Ducor Telephone Company is a California corporation incorporated on or about September 2, 1954, with an authorized capital stock of 7,500 shares, of the par value of \$10 each. It was organized for the purpose of acquiring and conducting the business of Virgil A.

Roome, an individual doing business as Ducor Telephone Company, and at this time it seeks authorization to issue \$11,400 par value of its common stock in payment for the telephone properties of said Roome, the amount of the stock issue being approximately equivalent to the reported net book worth of the business as of December 31, 1953.

The application shows that applicant corporation will continue to render telephone service under the same rates, rules and regulations presently in effect and will improve the service. In this connection it appears that applicant Roome heretofore has been authorized by the Commission, by Decision No. 50345, dated August 3, 1954, in Application No. 35628, to enter into a conditional sales contract with Stromberg-Carlson Company for the purchase of a 50-line dial switchboard, 100 dial telephones and two carrier terminals, with associated equipment, at a price of \$12,719.87, but that he has not exercised such authorization. It is intended, however, for the corporation upon being established as a telephone utility, to enter into the contract on the same terms and conditions set forth in said Decision No. 50345, such terms providing for the payment of at least 10% of the contract price in cash and the payment of the deferred balances in 60 monthly installments with interest computed at the rate of 6% per annum.

We have given consideration to this application and are of the opinion that the proposed transfer will not be adverse to the public interest. Accordingly, we will enter an order granting applicants' requests.

The action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

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, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue of the stock and the execution of the conditional sales contract herein authorized is reasonably required by applicant corporation for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Virgil A. Roome, doing business as Ducor Telephone Company, is authorized to sell and convey to Ducor Telephone Company, a corporation, on or before February 28, 1955, all of his telephone business and properties and, upon such sale and conveyance being consummated, to withdraw from the public utility telephone business.
2. Ducor Telephone Company, a corporation, is authorized to assume the liabilities of Virgil A. Roome and to issue not exceeding 1,140 shares of its common stock, of the par value of \$11,400, on or before February 28, 1955, in payment for said telephone business and properties.
3. Ducor Telephone Company, a corporation, is authorized to enter into a conditional sales contract with Stromberg-Carlson Company, on or before February 28, 1955, on the terms and conditions set forth in Decision No. 50345, dated August 3, 1954, in Application No. 35628.
4. The rates, rules and regulations of Virgil A. Roome, doing business as Ducor Telephone Company, now on file with the Commission shall be refiled within 30 days after the date of transfer

under the name of Ducor Telephone Company, a corporation, in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refiling, Ducor Telephone Company, a corporation, may file a notice of adoption of said presently filed rates, rules and regulations. No increase in the present rates shall be made unless authorized by the Commission.

5. If the authority herein granted is exercised, Virgil A. Roome, within 30 days thereafter, shall notify the Commission in writing of the date of the completion of the transfer herein authorized and of his compliance with the conditions hereof.

6. Ducor Telephone Company, a corporation, 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.

7. The authority herein granted will become effective when Ducor Telephone Company, a corporation, has paid the fee prescribed by Section 1904(b) of the Public Utilities Code.

Dated at San Francisco, California, this 19th day of October, 1954.

Edwin E. Mitchell
President

Justus J. Casanova
Bennett Potter

James Higgins

Ray L. Luterer
Commissioners

