

ORIGINAL

Decision No. 51661

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)

of)

MARIPOSA COUNTY TELEPHONE COMPANY,)
INC., a corporation, for a Permit)
to Issue its Shares.)

Application
No. 37054

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In the Matter of the Application)

of)

SIERRA TELEPHONE COMPANY, INC.,)
a corporation, for a Permit to)
Issue its Shares.)
-----)

Application
No. 37058

O P I N I O N

In these two proceedings the Commission is asked to make its orders authorizing Mariposa County Telephone Company, Inc. and Sierra Telephone Company, Inc. to issue shares of stock to Harry Baker, Jr. in payment for public utility telephone plants and properties.

The applications show that Harry Baker, Jr., doing business as Mariposa Telephone Company, is engaged in the operation of a telephone system serving subscribers in and about the Town of Mariposa in the County of Mariposa, and, doing business as Sierra Telephone Company, in the operation of a telephone system serving subscribers in and about the Town of Raymond in the County of Madera. His financial reports for 1954 show 282 working stations at the close of the year on the Mariposa system and 267 on the Sierra system, and revenues and expenses for the year as follows:

	<u>Mariposa</u>	<u>Sierra</u>
Operating revenues -		
Local service	\$11,448	\$15,841
Toll service	5,670	25,876
Miscellaneous	402	233
Total	<u>17,520</u>	<u>41,950</u>
Operating expenses	<u>16,270</u>	<u>36,403</u>
Net operating revenues	<u>\$ 1,250</u>	<u>\$ 5,547</u>

Harry Baker, Jr. now desires to conduct his operations under corporate forms of organization and has caused to be organized the two corporations, applicants herein, which will succeed to his telephone plants, properties and other assets, subject to outstanding liabilities, and will issue to said Baker shares of stock equivalent to his reported net proprietary capital. According to information filed in the proceedings Mr. Baker reports, for his Mariposa system, outstanding liabilities of \$40,884.01 and proprietary capital of \$10,532.95, and, for his Sierra system, liabilities of \$49,224.67 and proprietary capital of \$30,972.26.

It appears that Mr. Baker will continue as president and operator of the two systems, that the two corporations will continue the operations, and that there will be no change in the rates and service as a result of the transfer. On the basis of the information now before us we are of the opinion, and so find, that the transactions will not be adverse to the public interest.

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 matters and being of the opinion that public hearings are not necessary, that the applications should be granted, as herein provided, that the

money, property or labor to be procured or paid for by the issue of the shares of stock herein authorized is reasonably required by applicants 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. Harry Baker, Jr. may transfer to Mariposa County Telephone Company, Inc. his public utility telephone properties referred to in Application No. 37054 and Mariposa County Telephone Company, Inc., in payment therefor, may assume outstanding obligations in the amount of not exceeding \$40,884.01 and may issue 1,053.295 shares of its capital stock of the par value of \$10 each.

2. Harry Baker, Jr. may transfer to Sierra Telephone Company, Inc. his public utility telephone properties referred to in Application No. 37058 and Sierra Telephone Company, Inc., in payment therefor, may assume outstanding obligations in the amount of not exceeding \$49,224.67 and may issue 3,097.226 shares of its capital stock of the par value of \$10 each.

3. The rates, rules and regulations of Mariposa Telephone Company now on file with the Commission shall be refiled within 30 days after the date of transfer under the name of Mariposa County Telephone Company, Inc., and the rates, rules and regulations of Sierra Telephone Company now on file with the Commission shall be refiled within 30 days after the date of transfer under the name of Sierra Telephone Company, Inc., in accordance with the procedure prescribed by General Order No. 96, or, in lieu of such refileing, Mariposa County Telephone Company, Inc. and Sierra Telephone Company, Inc. may each file a notice of adoption of said presently filed rates, rules and regulations. No increases in the present rates shall be made unless authorized by the Commission.

4. If the authority herein granted is exercised, Harry Baker, Jr., within 30 days thereafter, shall notify the Commission in writing of the date of the completion of the transfers herein authorized and of his compliance with the conditions hereof.

5. Upon due compliance with all the conditions of this order, Harry Baker, Jr. shall stand relieved of all further utility obligations and liabilities in connection with the operation of the public utility telephone systems herein authorized to be transferred.

6. Mariposa County Telephone Company, Inc. and Sierra Telephone Company, Inc. 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 20 days after the date hereof.

Dated at San Francisco, California, this 12th day of July, 1955.

Justus F. Caena
President
Paul E. Gutchenier
Markus J. Wobler
W. H. Hartz

Commissioners