

ORIGINAL

Decision No. 53978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SIERRA TELEPHONE COMPANY, INC.,
for authority to sell and/or issue
902.774 shares of its Common stock,
\$10.00 par value.

Application No. 38481

OPINION AND ORDER

In this application Sierra Telephone Company, Inc., seeks authorization to issue 902.774 shares of its common stock in the aggregate amount of \$9,027.74 and to sell said shares to Harry Baker, Sr. for the purpose of paying outstanding indebtedness.

Applicant is engaged in operating a telephone system in the town of Raymond and in surrounding areas in Madera and Mariposa Counties. It reports its investment in fixed assets, less the depreciation reserve, as of December 31, 1955, in the amount of \$62,353 and in net current assets at \$11,277 and it asserts it has financed itself, in part, through the issue of a secured note to Harry Baker, Sr. in the principal amount of \$44,000, and through the issue of \$30,972.26 par value of common stock. According to the application, the Rural Electrification Administration has approved a loan to the company in the amount of \$353,000 provided that applicant first issue additional common stock so as to bring the total par value from the \$30,972.26 now outstanding up to \$40,000. Applicant therefore has made arrangements to issue the additional shares in part payment of indebtedness and it has filed this application for the appropriate authorization.

The Commission has considered this matter and is of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the issue of common

stock herein authorized is reasonably required for the purpose specified herein and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Sierra Telephone Company, Inc., may issue not to exceed 902.774 shares of its common stock and sell such shares at par for the purpose of paying outstanding indebtedness.

2. Sierra Telephone Company, Inc., shall file with the Commission a report, or 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 on the date hereof.

Dated at San Francisco, California, this 30th day of October, 1956.

[Signature]
President
[Signature]
[Signature]
[Signature]

Commissioners

Commissioner Justus F. Craemer, being necessarily absent, did not participate in the disposition of this proceeding.