

ORIGINAL

Decision No. 55850

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of THE VOLCANO TELEPHONE COMPANY,  
a California corporation, for an  
order authorizing it to issue  
and sell \$8,550 of \$25 par value  
common stock.

Application No. 39524

OPINION AND ORDER

The Volcano Telephone Company, applicant herein, is a California corporation engaged in operating a telephone system furnishing exchange and toll telephone service in the unincorporated towns of Volcano and Pine Grove and surrounding territory in Amador County and in the unincorporated town of West Point and surrounding territory in Calaveras County. In this application it seeks authorization to issue \$8,550 par value of its common stock for the purpose of reimbursing its treasury for amounts expended for the expansion and improvement of its facilities.

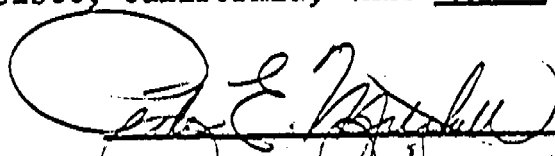




According to Exhibit B filed in this proceeding, applicant's net investment in telephone plant as of June 30, 1957, amounted to \$139,355, an amount which had been financed, in part, with long-term debt of \$55,786 and equity capital of \$67,610. In addition, some of the construction costs have been financed with open account indebtedness and, as of the end of June, 1957, the company reported current assets of \$6,082 and current liabilities of \$19,353, which liabilities include certain amounts advanced to applicant by its officers. The company now proposes, upon reimbursing its treasury through the issue and sale of its common stock, to use the proceeds to liquidate these outstanding liabilities.

The Commission has considered this matter and is of the opinion that an order is warranted authorizing the issue of stock to reimburse the treasury, that the money, property or labor to be procured or paid for by the issue of said stock is reasonably required for this purpose, that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the application should be granted by an ex parte order; therefore,

IT IS HEREBY ORDERED as follows:

1. The Volcano Telephone Company may issue and sell not to exceed \$8,550 par value of its common stock for the purpose set forth in this application.
2. The Volcano Telephone Company 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 19<sup>th</sup> day of November, 1957.

  
\_\_\_\_\_  
President  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
Commissioners