

ORIGINAL

Decision No. 65729

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of HOWARD J. TOWER,)
 doing business as CALAVERAS)
 TELEPHONE CO., to sell, and of)
 CALAVERAS TELEPHONE COMPANY, a)
 corporation, to acquire public)
 utility telephone operation)
 property; and application of)
 CALAVERAS TELEPHONE COMPANY,)
 a corporation, to issue its)
 capital stock.)

Application No. 45512
Filed June 11, 1963

O P I N I O N

This is an application for an order authorizing Howard J. Tower to transfer his telephone properties to Calaveras Telephone Company in exchange for shares of stock.

The application shows that Howard J. Tower, doing business as Calaveras Telephone Co., operates a public utility telephone business in and about the community of Copperopolis, that he desires to conduct his operations by a corporate form of organization, and that he proposes to transfer his telephone properties and operations, subject to liabilities, to a corporation which he has organized, namely, Calaveras Telephone Company. The new corporation will assume the liabilities, consisting principally of a note in the amount of \$18,843.73 in favor of I T T Kellogg, and will issue to applicant Tower 25 shares of common stock of the par value of \$1,000 each. Applicant Tower's recorded proprietary investment as of April 30, 1963, amounted to \$38,128.64.

It appears that there will be no change in the management as a result of the transfer. It is asserted, however, that plans are being made for the expansion and modernization of the telephone plant and that additional financing can be obtained more readily under a corporate form of organization than under a proprietorship.

We have considered this application and find that a public hearing is not necessary; that the proposed transfer will not be adverse to the public interest; 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 for the purpose specified herein; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

The authorization herein granted is for the purpose of this proceeding only and shall not be construed as indicative of amounts to be included in a future proceeding for the purpose of fixing just and reasonable rates, or authorizing the issue of securities.

O R D E R

IT IS ORDERED that:

1. Howard J. Tower, doing business as Calaveras Telephone Co., may sell and transfer to Calaveras Telephone Company, a corporation, his operative rights and properties used in his public utility telephone operations, subject to outstanding liabilities, and Calaveras Telephone Company may acquire said operative rights and properties and, in payment,

may assume the outstanding liabilities of Howard J. Tower and may issue not to exceed \$25,000 par value of its common stock.

2. The rates, rules and regulations of Howard J. Tower, doing business as Calaveras Telephone Co., now on file with the Commission shall be refiled within thirty days after the date of transfer under the name of Calaveras Telephone Company, in accordance with the procedure prescribed by General Order No. 96-A, or, in lieu of such refileing, Calaveras Telephone Company 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.

3. On or before the date of actual transfer, Howard J. Tower, doing business as Calaveras Telephone Co., shall refund all deposits which customers are entitled to have refunded. Any unrefunded deposits shall be transferred to and become the obligation for refund of Calaveras Telephone Company.

4. On or before the date of actual transfer of the physical properties under the authorization herein granted, Howard J. Tower, doing business as Calaveras Telephone Co., shall transfer and deliver to Calaveras Telephone Company all records, memoranda, and papers pertaining to the construction and operations of the properties herein authorized to be transferred.

5. Upon compliance with the terms and conditions of the transfer, Howard J. Tower, doing business as Calaveras Telephone Co., shall stand relieved of all further public utility obligations in connection with the operations of the public utility telephone system herein authorized to be transferred.

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

7. If the authority herein granted to transfer properties is exercised, Calaveras Telephone Company, within thirty days thereafter, shall notify the Commission in writing of the date of completion of such transfer. The authority herein granted will lapse unless exercised on or before December 31, 1963.

8. The authority herein granted shall become effective twenty days after the date hereof.

Dated at San Francisco, California,
this 23rd day of JULY, 1963.

William W. Bennett
President
George E. Trover
Fredrick B. Hallock
Commissioners