

**ORIGINAL**

Decision No. 71498

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of )  
ALVOR E. OLSON, dba Nor-Cal )  
Tele-Radio System (KMA 252, )  
KMD 684 and KMQ 65) for authority )  
to sell and transfer and for )  
CAL-AUTOFONE, a California )  
corporation, to purchase and )  
acquire the Certificate of Public )  
Convenience and Necessity )  
authorizing radiotelephone common )  
carrier public utility service )  
and related property, and for )  
CAL-AUTOFONE to issue and sell )  
shares of its common stock. )

Application No. 48734  
Filed August 24, 1966

O P I N I O N

This is an application for an order of the Commission authorizing Alvor E. Olson, doing business as Nor-Cal Tele-Radio System, to sell and transfer his radiotelephone utility business and certain related assets to Cal-Autofone, a corporation, and authorizing the latter to issue 25,000 shares of its \$1 par value capital stock.

Alvor E. Olson is engaged in the operation of a radio-telephone common carrier public utility pursuant to authority set forth in Decision No. 62156, dated June 20, 1961, in Case No. 6945.

Cal-Autofone is a California corporation organized on or about May 23, 1966. It will be a wholly owned subsidiary of Communication Enterprises, Inc., a California corporation

which has been in operation for over 14 years and presently functions in California as a two-way radio sales and service company, a communication leasing company and a telephone answering service, and in Oregon and Washington as a miscellaneous common carrier. According to the application, Communication Enterprises, Inc. does not conduct any radio utility activity in California.

In this proceeding Alvor E. Olson proposes to sell and transfer for \$20,000 his radiotelephone public utility operating rights, tangible property used in connection with said business, and the lease of facilities used in the operation. The parties place a valuation on these assets of \$1,000 for permits and franchises, \$18,000 for physical equipment and \$1,000 for leaseholds.

Cal-Autofone proposes to issue 25,000 shares of its capital stock having an aggregate par value of \$25,000 to be utilized for the acquisition of the radiotelephone utility and for working cash.

The Commission has considered this matter and finds that: (1) the proposed sale and transfer will not be adverse to the public interest; (2) the money, property or labor to be procured or paid for by the issue of the stock herein authorized is reasonably required for the purposes specified herein; and (3) such purposes, are not, in whole or in part, reasonably chargeable to operating expenses or to income. On the basis of these findings we conclude that the application should be granted. A public hearing is not necessary.

In issuing our order herein, we place Cal-Autofone and its shareholders on notice that we do not regard the number of shares outstanding, the total par value of the shares nor the dividends paid as measuring the return the company should be allowed to earn on its investment in plant and that the authorization herein given is not to be construed as a finding of the value of its stock or properties nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates. Moreover, any utility equipment withheld by Alvor E. Olson from transfer to Cal-Autofone, but subsequently acquired by any public utility subject to this Commission's jurisdiction, shall be recorded on such utility's books at the original cost to Alvor E. Olson less the accumulated depreciation reserve.

The authority herein granted is subject to the following provision of law:

"The commission shall have no power to authorize the capitalization of the right to be a corporation, or the capitalization of any franchise or permit, or the right to own, operate, or enjoy any such franchise or permit, in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the grant of such franchise, permit, or right."

O R D E R

IT IS ORDERED that:

1. Alvor E. Olson, on or after the date hereof and on or before March 31, 1967, may sell and transfer and Cal-Autofone may purchase and acquire, the radiotelephone public utility business and assets referred to in the application.

2. Cal-Autofone, on or after the date hereof and on or before March 31, 1967, in acquiring said assets, together with \$5,000 working capital, may issue not to exceed \$25,000 aggregate par value of its capital stock.

3. As a condition of the authority herein granted, Cal-Autofone is hereby directed to continue the public utility responsibilities of Alvor E. Olson with respect to the area served by the radiotelephone system being transferred.

4. The tariffs of Alvor E. Olson now on file with this Commission shall be refiled within thirty days after the date of actual transfer under the name of Cal-Autofone, in accordance with the procedure prescribed by General Order No. 96-A or, in lieu of such refiling, Cal-Autofone may file, by advice letter, a notice of adoption of said presently filed tariffs. No increase in the presently filed tariffs shall be made unless authorized by this Commission.

5. Alvor E. Olson, on or before the date of actual transfer, shall refund all customers' deposits and advances which are subject to refund. Any unrefunded deposits and advances shall be transferred to and become the obligation for refund of Cal-Autofone.

6. On or before the end of the third month after the consummation of the transfer as herein authorized, Cal-Autofone shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the operations of the seller for the period commencing with the first day of the current year to and including the effective date of the transfer.

7. On or before the date of actual transfer of the specific properties herein authorized, Alvor E. Olson shall transfer and deliver to Cal-Autofone, and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the radio-telephone utility authorized to be transferred.

8. If the authority herein granted is exercised, Cal-Autofone shall, within thirty days thereafter, notify this Commission, in writing, of the date of such completion of the property transfer herein authorized and of its compliance with the conditions hereof.

9. Upon compliance with the above ordering paragraphs, Alvor E. Olson is hereby relieved of his public utility responsibilities with respect to the property being transferred coincident with the full assumption of such responsibilities by Cal-Autofone.

10. Cal-Autofone shall file with the Commission a report, or reports, as required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

11. The effective date of this order is the date hereof.

Dated at San Francisco, California,  
this 1<sup>ST</sup> day of NOVEMBER, 1966.

*Paul E. H. [unclear]*  
President

*George L. Grover*

*Frederick B. Hallock*

*Avogadro*

*William L. Bennett*  
Commissioners