

Decision No. 71583**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of)KAY KELSO KIDD, an individual,)
doing business as RADIO)
DISPATCH ENGINEERING CO., for)
authority to transfer assets,)
and)Application No. 48872
Filed October 14, 1966KIDD'S COMMUNICATIONS, INC., a)
California Corporation, for)
authority to acquire assets,)
assume liabilities, and)
issue stock.)O P I N I O N

This is an application for an order of the Commission authorizing Kay Kelso Kidd to sell and transfer his radiotelephone utility business and certain related assets to Kidd's Communications, Inc., and authorizing the latter to issue 3,000 shares of its \$10 par value capital stock.

Kay Kelso Kidd, an individual doing business as Radio Dispatch Engineering Co., conducts radiotelephone public utility operations in portions of Kern County pursuant to authority set forth in Decision No. 62156, dated June 20, 1961, in Case No. 6945.

In the present proceeding Kay Kelso Kidd seeks permission to sell and transfer his radiotelephone public utility operating rights, together with certain physical equipment and related assets, to Kidd's Communications, Inc., a California corporation organized on or about August 25, 1966. The purchaser proposes to acquire said assets, subject to certain liabilities, in exchange for 3,000 shares of its \$10 par value capital stock. It appears that the assets and liabilities involved in the transfer had a net book value of \$30,000 as of June 30, 1966, with no value assigned to operating rights.

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 purpose specified herein; and (3) such purpose is 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 Kidd's Communications, Inc. 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.

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. Kay Kelso Kidd, on or after the date hereof and on or before April 30, 1967, may sell and transfer, and Kidd's Communications, Inc. may purchase and acquire, the radiotelephone public utility operating rights and other assets referred to in this proceeding.
2. Kidd's Communications, Inc., on or after the date hereof and on or before April 30, 1967, in acquiring said assets, may assume the liabilities referred to herein and may

issue not to exceed \$30,000 aggregate par value of its capital stock.

3. As a condition of the authority herein granted, Kidd's Communications, Inc. is hereby directed to continue the public utility responsibilities of Kay Kelso Kidd with respect to the area served by the radiotelephone system being transferred.

4. The tariffs of Kay Kelso Kidd now on file with this Commission shall be refiled within sixty days after the date of actual transfer under the name of Kidd's Communications, Inc., in accordance with the procedure prescribed in General Order No. 96-A. No increase in the presently filed tariffs shall be made unless authorized by this Commission.

5. Kay Kelso Kidd, 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 Kidd's Communications, Inc.

6. On or before the end of the third month after the consummation of the transfer as herein authorized, Kidd's Communications, Inc. 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 transferor 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, Kay Kelso Kidd shall transfer and deliver to Kidd's Communications, Inc., and the latter shall receive and preserve all records, memoranda and papers pertaining to the construction and operation of the radiotelephone utility authorized to be transferred.

8. If the authority herein granted is exercised, Kidd's Communications, Inc. 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 paragraph, Kay Kelso Kidd is hereby relieved of his public utility responsibilities with respect to the property being transferred coincident with the full assumption of such responsibilities by Kidd's Communications, Inc.

10. Kidd's Communications, Inc. 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 29th day of NOVEMBER, 1966.

President

Fredrick C. Holtzoff
William Van Buren
Wagner

Commissioners

Commissioner George G. Grover did not participate in the disposition of this proceeding.

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.