

ORIGINAL

Decision No. 78152

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Carford, a California corporation,)
for Authority to Transfer Assets)
and Airsignal of California, Inc.,)
a California corporation, for)
Authority to Acquire Assets and)
Issue Stock.)

Application No. 52339
Filed December 2, 1970

O P I N I O N

Carford Corporation seeks authority to transfer its radiotelephone assets, including its certificate of public convenience and necessity, to Airsignal of California, Inc., and the latter seeks authority to issue 1,000 shares of its \$1 par value capital stock.

Carford Corporation is a California corporation controlled by International Utilities Corporation, a Maryland corporation. The application shows that the former provides one-way paging service and two-way mobile telephone service in Modesto and surrounding communities pursuant to the certificate of public convenience and necessity granted by Decision No. 67631, dated August 4, 1964, in Application No. 46056. For the year 1969 the utility reports operating revenues and net income of \$19,052 and \$3,147, respectively.

In acquiring assets of Carford Corporation, Airsignal of California, Inc., a California corporation incorporated on or about October 27, 1970, proposes to issue 1,000 shares of its \$1 par value capital stock to Airsignal International, Inc., a Delaware corporation. According to the application, the latter is a wholly owned subsidiary of Western Union International, Inc., a Delaware corporation.

The transfer of radiotelephone utility assets from Carford Corporation to Airsignal of California, Inc. constitutes a minor aspect of an Agreement made as of December 31, 1969, by and between Western Union International, Inc. on behalf of itself and certain of its subsidiary corporations, and International Utilities Corporation and certain of its subsidiary corporations. A copy of said Agreement is attached to the application as Exhibit F.

A pro forma balance sheet of Airsignal of California, Inc. as of January 1, 1970, giving effect to the proposed transfer and stock issue, is summarized from Exhibit C, attached to the application, as follows:

Assets

Current assets	\$ 6,631
Equipment, less accumulated depreciation	19,470
Radio license	<u>2,500</u>
Total	<u>\$28,601</u>

Liabilities

Federal excise tax payable	\$ 160
Capital stock	1,000
Paid-in capital	<u>27,441</u>
Total	<u>\$28,601</u>

After consideration the Commission finds that: (1) the proposed transfer would not be adverse to the public interest; (2) the proposed stock issue is for a proper purpose; and (3) 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, which 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.

The action taken herein is for the purpose of this proceeding only and is not to be construed 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. Carford Corporation, on or after the effective date hereof and on or before April 30, 1971, may sell and transfer, and Airsignal of California, Inc. may acquire the radiotelephone certificate of public convenience and necessity and other assets referred to in this proceeding. The transfer may be effective as of December 31, 1969, for accounting purposes.
2. Airsignal of California, Inc., on or after the effective date hereof and on or before April 30, 1971, in acquiring said assets, may issue not exceeding 1,000 shares of its \$1 par value capital stock.

3. As a condition of the authority herein granted, Airsignal of California, Inc. is hereby directed to continue the public utility responsibilities of Carford Corporation with respect to the area served by the radiotelephone system being transferred.

4. Within sixty days after the date of actual transfer, the tariffs of Carford Corporation now on file with this Commission shall be refiled under the name of Airsignal of California, Inc. in accordance with the procedure prescribed in General Order No. 96-A, or, in lieu of such refiling, Airsignal of California, Inc. may file within thirty days after the date of actual transfer, 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. Carford Corporation, 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 Airsignal of California, Inc.

6. On or before the date of actual transfer of the specific properties herein authorized, Carford Corporation shall transfer and deliver to Airsignal of California, 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.

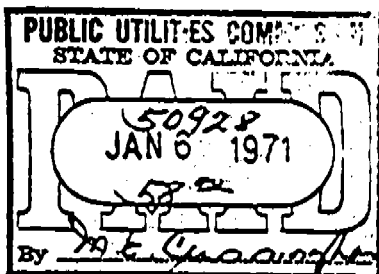
7. If the authority herein granted is exercised, Airsignal of California, Inc. shall, within thirty days thereafter, notify the Commission, in writing, of the date of such completion of the property transfer herein authorized and of its compliance with the conditions hereof.

8. Upon compliance with the above ordering paragraphs, Carford Corporation is hereby relieved of its public utility responsibilities with respect to the property being transferred coincident with the full assumption of such responsibilities by Airsignal of California, Inc.

9. Airsignal of California, 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.

10. This order shall become effective when Airsignal of California, Inc. has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$58.

Dated at San Francisco, California, this 5th day of January, 1971.



[Signature] Chairman
William Johnson
[Signature]
Vernon L. Sturgeon

Commissioners