

Decision No. 83473

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
ROBERT C. CRABB dba MT. SHASTA
RADIOTELEPHONE COMPANY for authori-
zation to transfer the assets and
liabilities of the said telephone
company to MT. SHASTA RADIO-
TELEPHONE, INC.

Application No. 54927
(Filed June 3, 1974)

In the Matter of the Application of
MT. SHASTA RADIOTELEPHONE, INC.,
for authorization to issue stock to
acquire the assets and liabilities
of MT. SHASTA RADIOTELEPHONE COMPANY.

Application No. 54928
(Filed June 3, 1974)

O P I N I O N

In 1970 Robert C. Crabb was granted a certificate of public convenience and necessity for radiotelephone service to the cities of Mt. Shasta, Weed, Dunsmuir, McCloud, and surrounding territory (Decision No. 77573 in Application No. 51618 dated August 4, 1970). He has applied to the Federal Communications Commission for the appropriate licenses and has allegedly spent in excess of \$25,000 in construction of roads and a building at Grey Butte for a transmitter site.

These applications are filed for the purpose of transforming a sole proprietorship business into a corporation in which the stock will be owned by Mr. Crabb and his wife. The approval of the Commission is required to effectuate the transfer of the certificate and dedicated property to the corporation (Public Utilities Code § 851), and the new corporation needs Commission authorization to issue stock (Public Utilities Code § 816).

The articles of the corporation authorize the issuance of up to 7,500 shares of \$10 par value stock. The present proposal is to issue 3,500 shares to Mr. Crabb and his wife in exchange for the assets of the company which include the building and access road at Grey Butte, leases to other users of that property, and easements. No significant value has been assigned to the certificate or to the prospects for an F.C.C. license.

The Commission staff made a study of applicant's records. On August 5, 1974 a copy of the staff's report was furnished to applicant. It was indicated that the report would be considered ex parte if no requests for hearing were received from applicant.

Applicant appears to have consented that the report should be so considered and it is hereby received as Exhibit 1 in each proceeding. The report recommends a downward adjustment of applicant's plant estimates to \$27,923 and that a depreciation reserve of \$7,240 be established. Based upon these recommendations, it would appear that applicant's net investment will be only \$20,683.

It is further recommended that applicant should be ordered to maintain books and records in accordance with the Uniform System of Accounts for radiotelephone utilities.

In issuing this decision we place the issuer of the authorized stock 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 it should be allowed to earn on its investment in plant, and that this authorization is not to be construed as a finding of the value of the company's stock or property nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

Findings

1. A public hearing is not necessary.
2. The transfer of the certificate of public convenience and necessity held by Robert C. Crabb, dba Mt. Shasta Radiotelephone Company, to Mt. Shasta Radiotelephone, Inc. would not be adverse to the public interest.
3. The proposed security issue is for proper purposes and the money, property, or labor to be procured or paid for by the issue of the security authorized by this decision is reasonably required for the purposes specified, which purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.
4. Applicant should be authorized to issue no more than 2,068 shares of \$10 par value stock. Applicant has paid the fee required by law.
5. Applicant should be required to keep books and records in the manner prescribed for radiotelephone utilities.
6. We find with reasonable certainty that the project involved in this proceeding will not have a significant effect on the environment.

We conclude that Applications Nos. 54927 and 54928 should be granted to the extent set forth in the order which follows.

O R D E R

IT IS ORDERED that:

1. Robert C. Crabb is authorized to transfer the certificate of public convenience and necessity issued by Decision No. 77573 and the utility property dedicated to the service authorized therein to Mt. Shasta Radiotelephone, Inc.
2. On or after the effective date of this order and on or before October 1, 1974, for the purposes specified in this proceeding, transferee may issue not exceeding 2,068 shares of its common stock having a par value of \$10 per share.

A. 54927, A. 54928 ei

3. Applicant shall prepare and maintain books and records in the manner prescribed by the Commission's Uniform System of Accounts for radiotelephone utilities.

The effective date of this order shall be twenty days after the date hereof.

Dated at Los Angeles, California, this 17th
day of SEPTEMBER, 1974.

Veronica L. Sturgeon
President
William J. Sturgeon
John J. Sturgeon
John J. Sturgeon
Commissioners