

Decision No. 86130

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of)
 L. T. Niethammer and Valera M.)
 Mitchell, dba Delta Mobile Radio)
 Service, and of Delta Mobile)
 Radio Service Inc., for authority)
 for (a) the former to transfer to)
 the latter their radiotelephone)
 utility system and (b) the latter)
 to issue capital stock.)

Application No. 56546
 (Filed June 9, 1976)

O P I N I O N

Valera M. Mitchell seeks authority to transfer to L. T. Niethammer her entire partnership interest in the radiotelephone utility system known as Delta Mobile Radio Service, and the resulting sole proprietor seeks authority to transfer said system to Delta Mobile Radio Service Inc. in exchange for 1,180 shares of the latter's no par value capital stock at a stated value of \$100 per share.

The application shows that Valera M. Mitchell and L. T. Niethammer, doing business as Delta Mobile Radio Service, operate radiotelephone utility Station KMJ 221 at Rio Vista, California. In this connection, in Decision No. 62517, dated September 5, 1961, in Case No. 6945, this Commission found L. T. Niethammer and Valera M. Mitchell, doing business as Delta Mobile Radio Service, to be a radiotelephone utility. Exhibit F, attached to the application, shows that for the year 1975 their total operating revenues and net income amounted to \$122,377 and \$47,206, respectively.

Valera M. Mitchell proposes to sell her entire partnership interest in the radiotelephone system known as Delta Mobile Radio Service to L. T. Niethammer, who will then transfer all of the assets and liabilities of said system to Delta Mobile Radio Service Inc., a California corporation incorporated on October 6, 1975. In exchange, the corporation proposes to issue to L. T. Niethammer 1,180 shares of its no par value capital stock at a stated value of \$100 per share.

A pro forma balance sheet as of September 1, 1976, giving effect to the proposed transactions, as summarized from Exhibit E attached to the application, is as follows:

<u>Assets</u>	
Net radiotelephone plant	\$103,397
Current assets	<u>18,203</u>
Total	<u>\$121,600</u>
<u>Liabilities</u>	
Common stock	\$118,000
Current liabilities	<u>3,600</u>
Total	<u>\$121,600</u>

After consideration the Commission finds that:

1. The proposed transactions would not be adverse to the public interest.
2. The proposed stock issue is for a proper purpose.
3. The money, property or labor to be procured or paid for by 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.
4. There is no known opposition and there is no reason to delay granting the relief requested.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary.

In issuing our order herein we place Delta Mobile Radio Service Inc. and its shareholder on notice that we do not regard the number of shares outstanding, the total stated 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 the authorization herein granted is not to be construed as a finding of the value of the company's stock or properties nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Valera M. Mitchell may sell and transfer to L. T. Niethammer her entire partnership interest in the radiotelephone system known as Delta Mobile Radio Service.
2. L. T. Niethammer may sell and transfer to Delta Mobile Radio Service Inc. the radiotelephone utility system known as Delta Mobile Radio Service.
3. On or after the effective date hereof and on or before December 31, 1976, Delta Mobile Radio Service Inc., in acquiring said radiotelephone system may issue to L. T. Niethammer up to but not exceeding 1,180 shares of its no par value capital stock at a stated value of \$100 per share as consideration for the radiotelephone utility system known as Delta Mobile Radio Service.

4. Delta Mobile Radio Service Inc. shall file with the Commission the report required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.


5. Within thirty days after the consummation of the transfers herein authorized, Delta Mobile Radio Service Inc. shall notify the Commission, in writing, of that fact and within said period shall file with the Commission a true copy of any bills of sale or other instruments of transfer which may be executed to effect said transfers.

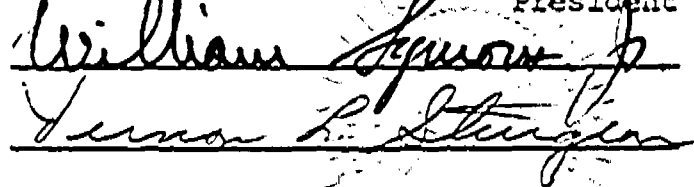
6. Delta Mobile Radio Service Inc. shall adopt or reissue in its name the tariffs on file with this Commission for Delta Mobile Radio Service at the same rates and charges. The tariff filings shall be made effective not earlier than five days after the effective date of this order on not less than five days' notice to the Commission and the public, and the effective date of the tariff filings shall be concurrent with the consummation of the transfers herein authorized. The tariff filings made pursuant to this order shall comply in all respects with the regulations governing the construction and filing of tariffs set forth in the Commission's General Order No. 96-A.

7. Delta Mobile Radio Service Inc. shall maintain its accounting records on a calendar year basis in conformance with the applicable Uniform System of Accounts or Chart of Accounts as prescribed or adopted by this Commission and shall file with the Commission, on or before March 31 of each year, an annual report of its operations in such form, content, and number of copies as the Commission, from time to time, shall prescribe.

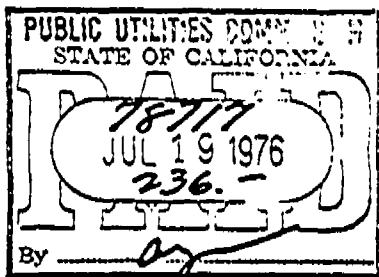
3. This order shall become effective when Delta Mobile Radio Service Inc. has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$236.

Dated at San Francisco, California, this 19th day of JULY, 1976.



President


Commissioners



Commissioner Leonard Ross, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Robert Batinovich, being necessarily absent, did not participate in the disposition of this proceeding.