

Decision 90 10 022 OCT 12 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Cook Telecom, Inc. of San Francisco }  
(U-2096-C), Cook Telecom, Inc. }  
(U-2065-C), and Cook Telecom, Inc. of }  
Fresno (U-2099-C), for an order }  
authorizing Cook Telecom, Inc. and }  
Cook Telecom, Inc. of Fresno, }  
to merge into Cook Telecom, Inc. }  
of San Francisco and }  
authorizing the transfer of }  
certain certificates of public }  
convenience and necessity. }

Application 90-01-046  
(Filed January 23, 1990)

O P I N I O N

Cook Telecom, Inc. of San Francisco, Cook Telecom, Inc., and Cook Telecom, Inc. of Fresno, request authority to merge so that the first is the surviving corporation.

Cook Telecom, Inc. of San Francisco is a California corporation. A certified copy of its original articles of incorporation was filed on June 15, 1987 in Application (A.) 87-06-023. A certified copy of a certificate of amendment thereto filed with the Secretary of State on March 17, 1988 was filed on October 31, 1989 in A.89-10-049.

Cook Telecom, Inc. is a California corporation. A certified copy of its articles of incorporation was filed on October 30, 1984 in A.84-10-074.

Cook Telecom, Inc. of Fresno is a California corporation. A certified copy of its articles of incorporation was filed on October 14, 1987 in A.87-10-015.

Cook Telecom, Inc. of San Francisco performs one-way paging service operations as a radiotelephone utility (RTU) pursuant to Decision (D.) 87-11-050 in A.87-06-023. Operations are performed in Alameda, Contra Costa, Marin, Napa, Nevada, Placer,

Sacramento, San Mateo, San Francisco, San Joaquin, Santa Clara, Santa Cruz, Solano, Sonoma, Stanislaus, Sutter, Yolo, and Yuba counties. This applicant has pending before the Commission A.89-10-049 for authority to extend its service to Calaveras, Fresno, Mariposa, Monterey, and San Benito counties.

Cook Telecom, Inc. performs one-way paging service operations as a RTU pursuant to D.86-05-015 in A.86-02-036. Operations are performed in Monterey, San Benito, Santa Clara, and Santa Cruz counties.

Cook Telecom, Inc. of Fresno performs one-way paging service as a RTU pursuant to D.88-04-054 in A.87-10-015, D.88-05-005 in A.87-11-017, and D.89-11-014 in A.89-08-036. Operations are performed in Fresno, Kern, Madera, Mariposa, Merced, San Joaquin, Stanislaus, Tulare, and Tuolumne counties.

A financial statement of each of the applicants as of September 30, 1989 is contained in the application. A pro forma balance sheet giving effect to the proposed merger is also included.

If authorized, applicants Cook Telecom, Inc. and Cook Telecom, Inc. of Fresno propose to merge into Cook Telecom, Inc. of San Francisco and to merge their respective plants, systems, and other property, certificates, and permits pursuant to the provisions of § 1100 of the Corporations Code. The properties to be acquired by the surviving corporation through the proposed merger include all of the certificates of public convenience and necessity held by the other two applicants and all of the operating properties of those other two applicants.

The agreement of merger provides that upon its effective date, applicants shall merge into applicant surviving corporation, and the separate existence of Cook Telecom, Inc. and Cook Telecom, Inc. of Fresno shall cease. Surviving corporation will succeed without other transfer to all the rights and properties of the

other corporations. Surviving corporation will be subject to all the debts and liabilities of the others.

The agreement of merger further provides:

"On the effective date, each issued and outstanding capital share of Cook Telecom, Inc. shall be converted into 0.36 common shares, \$10.00 par value, of surviving corporation, and each issued and outstanding capital share of Cook Telecom, Inc. of Fresno shall be converted into 0.002277 common shares, \$10.00 par value, of surviving corporation."

Surviving corporation now has 300 shares of its \$10.00 par value common stock issued and outstanding. Surviving corporation proposes to issue 36 shares of its common stock in lieu of and in exchange for 100 shares of the capital stock of Cook Telecom, Inc. It also proposes to issue 41 shares of its common stock in lieu of and in exchange for 18,000 shares of capital stock of Cook Telecom, Inc. of Fresno.

Upon the consummation of the merger, surviving corporation will have issued and outstanding 377 shares of its common stock of the par value of \$10.00 each.

The system resulting from the proposed merger will allegedly make possible increased efficiency of operations with resulting improved service and greater convenience for the customers of applicants.

Findings of Fact

1. The merger is not adverse to the public interest.
2. No protests have been filed and no hearing is required.
3. The proposed security issue is for lawful purposes and the money, property, or labor to be obtained by it are required for these purposes. Proceeds from the security issue may not be charged to operating expenses or income.

Conclusions of Law

1. The merger and issues of stock should be authorized.
2. The number of shares outstanding, the total par (stated) value of the shares, and the dividends paid do not determine allowable return on plant investment. This authorization is not a finding of the value of the utility's stock or property, nor does it indicate the amounts to be included in ratesetting proceedings.
3. Under PU Code § 1904.1 no fee is required to be paid to issue stock used to retire other stock upon which a fee has theretofore been paid.
4. Since this matter is not controversial, the following order should be effective immediately.

O R D E R

IT IS ORDERED that:

1. Cook Telecom, Inc. of San Francisco is authorized to issue 77 shares of its stock, and to acquire the operating rights and property of Cook Telecom, Inc. of Fresno and Cook Telecom, Inc. to control those corporations.
2. Cook Telecom, Inc. of San Francisco shall use its existing corporate identification number U-2096-C in connection with the certificates acquired as a result of the merger approved in this proceeding. The number shall appear in the caption of all original pleadings and in the title of pleadings filed in existing cases with this Commission.
3. Cook Telecom, Inc. shall adopt as its own the tariffs of Cook Telecom, Inc. and Cook Telecom, Inc. of Fresno.
4. Cook Telecom, Inc. of San Francisco shall provide copies of all executed documents used to consummate the merger by filing a copy as Exhibit 1 herein with a copy to the Executive Director. On the date where the merger is complete, Cook Telecom, Inc. and Cook Telecom, Inc. of Fresno are relieved of their public utility

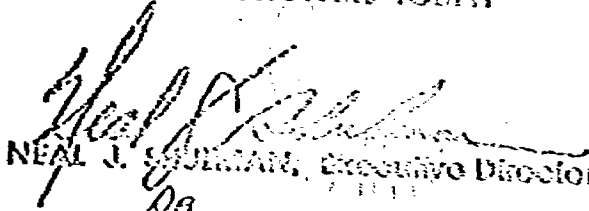
obligations. On that date Cook Telecom, Inc. of San Francisco shall make appropriate tariff filings to assume those obligations.

This order is effective today.

Dated OCT 12 1990, at San Francisco, California.

G. MITCHELL WILK  
President  
FREDERICK R. DUDA  
STANLEY W. HULETT  
JOHN B. OHANIAN  
PATRICIA M. ECKERT  
Commissioners

I CERTIFY THAT THIS DECISION  
WAS APPROVED BY THE ABOVE  
COMMISSIONERS TODAY

  
NEAL J. SORKIN, Executive Director