

Decision 83 07 003 JUL 20 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
ROSEVILLE TELEPHONE COMPANY for)
Authorization pursuant to Public)
Utilities Code Sections 816-830 to)
Issue Certificates Evidencing Not)
More Than 3,576,892 Shares of Its)
Capital Stock)

Application 83-05-57
(Filed May 24, 1983)

O P I N I O N

Roseville Telephone Company (Roseville Telephone) seeks authority, under Public Utilities (PU) Code Section 816 through 830 to give effect to a stock split by issuing one share of its no par common stock for each share outstanding.

Notice of the filing of the application appeared on the Commission's Daily Calendar of May 27, 1983. No protests have been received.

Roseville telephone is a California corporation furnishing local and long-distance telephone service in the City of Roseville and the contiguous territory. For the year ended December 31, 1982, the applicant reported total operating revenues and net income of \$30,376,000 and \$4,323,000, respectively.

The utility's Balance Sheet as of March 31, 1983, taken from Exhibit B-2 attached to the application is summarized as follows:

<u>Assets</u>	<u>Amount</u> (In Thousands)
Telephone Plant less Accumulated Depreciation	\$64,017
Current Assets	4,644
Other Assets and Deferred Charges	<u>964</u>
Total	\$69,625
 <u>Liabilities and Capital</u>	
Common Equity	\$38,632
Long-Term Debt	16,575
Current Liabilities	4,843
Deferred Credits	<u>9,575</u>
Total	\$69,625

Roseville Telephone proposes to give effect to a two for one stock split. Each holder of record of one or more shares of utility no par common stock will become the owner of one additional share of common stock for each share then held of record.

Roseville Telephone seeks authority to issue on September 15, 1983, or as soon thereafter as practicable to its stockholders of record on the effective date of the Amendment to its Articles of Incorporation, certificates evidencing not more than 3,576,892 additional shares no par common stock.

The stock split will only affect the number of shares outstanding; the capital structure would be unchanged by this transaction.

The application states that Board of Directors of Roseville Telephone believes that the authority sought by this application is in the best interests of the utility and its shareholders for the following reasons:

1. An increase in the number of Roseville Telephone's common shares is appropriate because of the growth already achieved by the utility and a wider public interest in the company;
2. A market price per share of approximately \$10 would be more favorable for market transactions in the utility's common stock; and
3. A stock split effecting the decrease in the market price of the issued and outstanding common stock could stimulate still greater interest in the utility's stock, and thus ultimately result in an increase in stockholders and a wider distribution of shares.

The Commission's Communications and Revenue Requirements Divisions have reviewed the application and conclude that Roseville Telephone's request to split its outstanding stock is reasonable and should be granted.

Findings of Fact

1. Roseville Telephone is a California corporation and operates as a public telephone utility under the jurisdiction of this Commission.

2. The proposed two-for-one stock split and issuance of certificates evidencing not more than 3,576,892 shares of Roseville Telephone's common stock without par value would be for proper purposes.

3. There is no known opposition and there is no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.

2. The application should be granted to the extent set forth in the order which follows.

In issuing our order, we place Roseville Telephone and its shareholders on notice that we do not regard the number of shares outstanding, or the dividends paid as measuring the return it should be allowed to earn on its investment. This authorization is not a finding of the value of Roseville Telephone's stock or properties nor indicative of amounts to be included in ratesetting proceedings.

Roseville Telephone requests this order to be made effective on the date of signature to enable Roseville Telephone to proceed with the stock split and to issue the stock expeditiously.

O R D E R

IT IS ORDERED that:

1. Roseville Telephone Company, on or after the effective date of this order and on or before December 31, 1983, may effect a stock split by issuing up to 3,576,892 shares of its common stock without par value, constituting one new share for each share currently outstanding.

2. Roseville Telephone Company shall file the reports required by General Order Series 24.

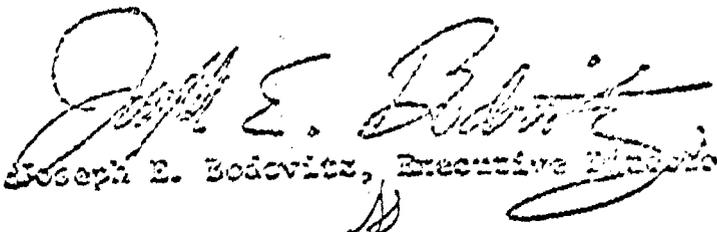
This order is effective today.

Date JUL 20 1983, at San Francisco, California.

LEONARD M. CRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREY
DONALD VIAL
WILLIAM E. BAGLEY
Commissioners

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


Joseph E. Bodovitz, Executive Director