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ORIGINAL

Decision No. \_\_\_\_\_

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of INTRASTATE RADIO TELEPHONE, INC., of LOS ANGELES, a California corporation, to Issue Stock

Application No. 59464 (Filed February 19, 1980)

O P I N I O N

Intrastate Radio Telephone, Inc., of Los Angeles (Intrastate) seeks authority to issue capital stock certificates representing 180,000 shares of its no par common stock in exchange for capital stock certificates representing 600 shares of its presently outstanding \$100 par value common stock, in order to give effect to a 300 for 1 stock split.

The authority is sought pursuant to Sections 816 through 818 of the Public Utilities Code. Notice of the filing of the application was published on the Commission's Daily Calendar of February 22, 1980.

Intrastate is authorized to provide two-way mobile and one-way paging service in major portions of Los Angeles, Orange, Riverside and Ventura Counties.

Intrastate operates under authority granted to its predecessor in Decision No. 64703, dated December 28, 1962, in Application No. 44891.

Intrastate provides radiotelephone service to approximately 6,000 subscribers. For the year ended December 31, 1979, Intrastate

reported operating revenues of \$1,096,816 and net income of \$241,122. A balance sheet dated December 31, 1979, attached as Exhibit A to the application is summarized as follows:

<u>Assets</u>	<u>Amount</u>
Net Radiotelephone Plant	\$198,769
Other Investments	34,859
Current Assets and Deferred Charges	<u>122,197</u>
Total	<u>\$355,825</u>
<u>Liabilities and Capital</u>	
Common Equity	\$313,613
Long-Term Debt	11,801
Current Liabilities	<u>30,411</u>
Total	<u>\$355,825</u>

The proposed Restated Articles of Incorporation, a form of which is attached to the application as Exhibit C, and which is to be filed with the California Secretary of State, indicate that each share of Intrastate's \$100 par value common stock is to be converted into 300 shares of no par value stock. In order to evidence the common stock split, Intrastate proposes to call in the 600 outstanding shares and in exchange, issue certificates representing 180,000 new common no par value shares.

The purpose of the stock split is to create a smaller value per share, which can be traded more conveniently in the over-the-counter securities exchange.

Under the proposed plan, no consideration will be paid for the increased number of shares. Each shareholder will have exactly the same interest in the corporation as such shareholder had prior to the stock split, but each shareholder will merely have a greater number of shares with a smaller value per share.

The Communications Division and the Revenue Requirements Division of the Commission's staff have reviewed the proposal set forth in the application and consider the request reasonable.

Findings of Fact

1. Intrastate is a radiotelephone utility subject to the jurisdiction of this Commission.
2. The proposed stock split and stock issuance is not adverse to the public interest.
3. There is no known opposition and 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 this decision we place Intrastate and its shareholders 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 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.

O R D E R

IT IS ORDERED that:

1. Intrastate Radio Telephone, Inc., of Los Angeles may issue certificates representing 180,000 shares of its no par common stock in exchange for certificates representing 600 shares of its previously outstanding \$100 par value common stock.

2. It is further ordered that Intrastate Radio Telephone, Inc., of Los Angeles 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.

The effective date of this order is thirty days after the date hereof.

Dated JUN 3 1980, at San Francisco, California.

John E. Bayne  
President  
Richard W. Howell  
James M. Bennett  
Commissioners

Commissioner Claire T. Dedrick, being necessarily absent, did not participate in the disposition of this proceeding.