

Decision 93544 SEP 15 1981**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
of The Volcano Telephone Company)
for authority to split each of the)
2355 issued and outstanding shares)
of Common Stock into twenty-five)
shares of Common Stock of a par)
value of \$1.00 a share.)

Application 60754
(Filed July 21, 1981)

O P I N I O N

The Volcano Telephone Company (Volcano) requests authority (1) to split, convert, and exchange its 2,355 shares of issued and outstanding \$25 par value common stock; and (2) to issue 58,875 shares of \$1 par value common stock in exchange.

Volcano requests this authority under Public Utility Code Sections 817 and 818. Notice of the filing of the application appeared on the Commission's Daily Calendar of July 28, 1981. No protests have been received.

Volcano is a California corporation under the jurisdiction of this Commission. It owns and operates a telephone utility system and furnishes exchange and toll service in the unincorporated towns of Volcano, Pine Grove, and Pioneer, in Amador County, and West Point and vicinity in Calaveras County.

Volcano generated total operating revenues of \$2,931,790 and net income of \$267,407 for the calendar year 1980, according to Exhibit A attached to the application. Also, shown as part of Exhibit A is Volcano's Balance Sheet as of December 31, 1980, which is summarized as follows:

<u>Assets</u>	<u>Amount</u>
Net Telephone Plant	\$7,520,630
Current Assets	891,846
Deferred Charges	63,494
Other Assets	534,029
Total	<u>\$9,009,999</u>
 <u>Liabilities and Common Equity</u>	
Stockholders Equity	\$2,734,483
Long-Term Debt	6,147,791
Current Liabilities	41,416
Deferred Credits	86,309
Total	<u>\$9,009,999</u>

The purpose of the stock split is to reorganize and re-adjust the capital structure of the corporation. It is to simplify corporate declaration of stock dividends, to aid in creating a market for the common stock, and to expedite future financing when necessary.

Volcano has issued and outstanding 2,355 shares of \$25 par value common stock and 51,810 shares of \$25 par value, 7% preferred stock. Volcano proposes to change its common stock from \$25 par to \$1 par, and to split the 2,355 outstanding common shares

at a ratio of 25 for 1. The proposed split will increase the number of common shares outstanding from 2,355 to 58,875.

The proposed split will be accomplished by collecting and canceling all outstanding common share certificates and reissuing certificates stating the greater number of shares held by the stockholders as a result of the split. This collecting, canceling, and reissuing of certificates shall be accomplished within 30 days after the effective date of the order of the Commission granting the authority to issue such certificates is received.

The Revenue Requirements Division and the Communications Division have reviewed these transactions and conclude that the authority requested is reasonable and not adverse to the public interest. ✓

Finding of Facts

1. Volcano is a telephone utility under the jurisdiction of this Commission.
2. The proposed issuance of common stock is for proper purposes and would not be adverse to the public interest.
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.

The number of shares outstanding, the total par 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.

O R D E R

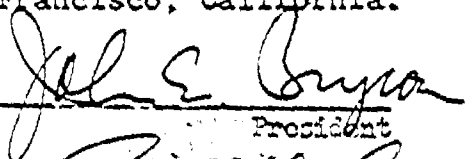
IT IS ORDERED that:

1. The Volcano Telephone Company, on or after the effective date of this order and on or before December 31, 1981, may issue and distribute up to 58,875 shares of its \$1 par value common stock in exchange for its issued and outstanding \$25 par value capital stock of 2,355 common shares to effect a 25 for 1 stock split in the manner set forth in this proceeding.
2. The Volcano Telephone Company shall file the reports required by General Order Series 24.


A.60754 RR/TC/RZE/WPSC

3. This order to split its common capital stock shall become effective 30 days from today.


Dated SEP 15 1981 at San Francisco, California.




President




Secretary



Treasurer



Director



Commissioners