

In the matter of the application :
of Campbell Water Company to sell :
its water plant to The Campbell :
Water Company and of The Campbell : Application No. 1065.
Water Company to purchase the same :
and to issue 480 shares of its :
capital stock in payment therefor. :

L. D. Bohnett, for applicant.

GORDON, Commissioner.

O P I N I O N.

Campbell Water Company is engaged in the business of developing and selling water in the town of Campbell, Santa Clara County, and vicinity. It serves 172 patrons with water for domestic use and 15 patrons with water for irrigation purposes.

In Application No. 588, Campbell Water Company applied to this Commission for authority to issue 259 shares of stock. The order in that case authorized the issue of 19 shares but denied the application as to the remaining 240 shares.

In that application request was made to issue 240 shares of the par value of \$25 each against a surplus of \$6,000 which it was alleged had been invested in the property.

In denying the application in its order of October 31, 1913, the Commission stated that the Public Utilities Act made no provision for a stock issue against the surplus to the extent applied for.

Campbell Water Company in the application herein proposes to transfer its property to a new corporation to accomplish what it sought in Application No. 588. The Campbell Water Company has been formed for the purposes of taking over the water plant. In the application it is asked that The Campbell Water Company be authorized to issue 480 shares of its stock to Campbell Water Company for distribution to the present stockholders of Campbell Water Company.

Campbell Water Company has an authorized stock issue of 1,000 shares of the par value of \$25 per share, of which 240 shares are outstanding. In the decision of this Commission in Application No. 588 it was stated that the value of Campbell Water Company's property was approximately \$12,000. At the hearing upon the application herein, officials of Campbell Water Company expressed the belief that the value of the property was approximately \$16,000. The Engineering Department of this Commission estimated the present value to be approximately \$13,500.

It is now proposed in the application herein that Campbell Water Company transfer all of its properties to The Campbell Water Company and that The Campbell Water Company issue in payment 480 shares of its capital stock of the par value of \$25 per share or a total par value of \$12,000.

The Campbell Water Company was organized in December, 1913 with an authorized stock issue of 1,000 shares. It proposes to assume all of the public utility obligations of Campbell Water Company and to continue the business as heretofore conducted.

For the year ending December 31, 1913, Campbell Water Company paid a dividend of \$1,500 to its stockholders.

I recommend that the application be granted and submit the following form of order.

O R D E R.

Campbell Water Company having made application to this Commission for authority to sell its water plant at Campbell, Santa Clara County, California, to The Campbell Water Company, of Campbell, Santa Clara County, California, and The Campbell Water Company having applied to this Commission for authority to issue 480 shares of its capital stock of the par value of \$25 per share to purchase the same;

And a hearing having been held and it appearing that the purposes for which said stock is to be issued is not in whole or in part chargeable to operating expenses or to income;

IT IS HEREBY ORDERED that Campbell Water Company be granted authority and it is hereby granted authority to sell its property consisting of two lots in the town of Campbell and certain wells, pumping machinery, meters, etc., as described in Schedules C and D on file with this Commission in connection with the application herein.

IT IS FURTHER ORDERED that The Campbell Water Company be given authority and it is hereby given authority to issue 480 shares of its capital stock of the par value of \$25 per share to Campbell Water Company in payment for the properties of Campbell Water Company heretofore described.

The authority herein given is given upon the following conditions and not otherwise:

1. Campbell Water Company shall transfer its properties to The Campbell Water Company and The Campbell Water Company shall issue 480 shares of stock in payment therefor on or before October 1, 1914.
2. The Campbell Water Company shall report to this Commission when it shall have acquired the properties of Campbell Water Company and when it shall have issued its stock in payment therefor.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

May
~~April~~, 1914. Dated at San Francisco, California, this 5th day of

Wm. J. L. L. L.
H. L. L.
Wm. L. L.