

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application
of the Los Gatos Ice, Gas and
Electric Company and The Pacific
Gas & Electric Company for an
Order authorizing the Los Gatos
Ice, Gas & Electric Company to
transfer to the Pacific Gas &
Electric Company its entire property
with certain exceptions.

Application No. 154.

C. E. Hume, for the Los Gatos Ice, Gas
& Electric Company.
Chas. P. Cutten for the Pacific Gas &
Electric Company.
R. P. Doolin and Geo. W. Turner for the
Board of Trustees of the Town of Los
Gatos.

LOVELAND, Commissioner.

O P I N I O N

It was shown at the hearing of this application, as is also shown by Exhibit "A" in the pleadings, that the stock in the Los Gatos Ice, Gas & Electric Company is largely owned by the G. W. Hume Company; that the company came into existence through the G. W. Hume Company extending electric service from its farm or ranch adjacent to the Town of Los Gatos and serving said town of Los Gatos with arc lights. Afterwards the Los Gatos Ice, Gas & Electric Company was incorporated and engaged in the manufacture and sale of both gas and electricity in the City of Los Gatos and in the territory lying between Los Gatos and Mountain View, all in Santa Clara County, California. The company owns and operates a small hydro-electric station of approximately two hundred horse power and a gas plant with a daily capacity of thirty thousand cubic feet of gas. It purchases from the Pacific Gas & Electric Company all of the electrical power required to supply its customers over and above the amount generated by the small hydro-electric plant before mentioned, the amount of such purchase being about 18,000 K. W. Hours per month.

The Los Gatos Ice, Gas & Electric Company states as its

of gas to consumers. Mr. R. P. Doolin and Mr. Geo. W. Turner, members of the Board of Trustees of the Town of Los Gatos, appearing at the hearing for said Board, stated that the people of Los Gatos had no objection to the sale and purchase being approved and that in fact, they considered it would be greatly to the advantage of the people of Los Gatos and vicinity. They were anxious to learn from the representative of the Los Gatos Ice, Gas & Electric Company or from the Pacific Gas & Electric Company what valuation had been placed upon that portion of the plant of the Los Gatos Ice, Gas & Electric Company lying within the municipality of Los Gatos. The representatives of these companies maintained that no segregation as to value had been made and they could not therefore give the trustees this information. The price to be paid for the stock of the Los Gatos Ice, Gas & Electric Company by the Pacific Gas & Electric Company is One Hundred, Eighty-Seven Thousand, Seven-Hundred, Sixty-two and 51/100 (187,762.51) Dollars, which the representatives of the companies testified was the reasonable value of said property. In authorizing this sale at said price it should be distinctly understood that this Commission has not valued the property to be sold, and this Commission's authorization should be subject to the express condition that the price to be paid shall not be used before this Commission or elsewhere as representing, for rate fixing or for any other purpose, the real present value of the property, or as bearing any necessary relation thereto.

I recommend that, as provided in Section 51 (a) of the Public Utilities Act, the Commission authorize the sale and transfer by the Los Gatos Ice, Gas & Electric Company of its stock to the Pacific Gas & Electric Company under the conditions set forth in the contract copy of which is filed with the pleadings.

I submit the following form of order:

O R D E R.

Los Gatos Ice, Gas and Electric Company and Pacific Gas and Electric Company having filed with this Commission their application for an order authorizing the Los Gatos Ice, Gas and Electric Company to sell, grant and transfer to the Pacific Gas and Electric Company, for the sum of \$187,762.51, the whole of its property, both real and personal, including its lands, franchises, gas and electric plants and systems, including distribution systems, contracts for the purchase and sale of gas, and electricity, machinery, apparatus, tools, materials and supplies in use or intended for use in conducting any part of its business, except money standing to its credit with any bank or banker or in the possession of its officers and except its bills and accounts receivable for gas, electricity and materials sold and delivered and services rendered prior to the delivery of the conveyances transferring and conveying the property; and a public hearing having been held on said application, and the town of Los Gatos having been represented thereat by two of its Town Trustees; and it appearing that public convenience and necessity will be subserved by the grant of the application.

IT IS HEREBY ORDERED that said application be and the same is hereby granted, subject to the following express condition precedent:-

The price for which said property is to be purchased, namely: \$187,762.51, shall not be used before this Commission or any other public authority as representing, for rate fixing or for any other purpose, the present value of the property of Los Gatos Ice, Gas & Electric Company, or as bearing any necessary relation thereto. The purchase of said property by Pacific Gas & Electric Company will be taken as a consent by that company to this condition.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Com-

mission of the State of California.

Dated at San Francisco, California, this 23rd day of
August, 1912.

W. L. Leland
W. L. Leland
Mar. Thelen

Commissioners.