

CR.

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

ORIGINAL

Decision No. 2637

BEFORE THE RAILROAD COMMISSION OF  
THE STATE OF CALIFORNIA.

In the Matter of the Application of  
OROSI ORANGE LAND COMPANY to sell  
and THE COVE WATER COMPANY to pur-  
chase the domestic water system lo-  
cated at the town of Orange Cove,  
Fresno County, California.

Application

No. 1782.

Stuart O'Melveny for applicant.

EDGERTON, Commissioner.

O P I N I O N

This is an application of OROSI ORANGE LAND COMPANY for authority to sell a small water system serving the town of Orange Cove, Fresno County, to The Cove Water Company, in exchange for 800 shares of stock of the latter company of the par value of \$1. per share.

Orosi Orange Land Company is the owner of approximately 54,000 acres of land in Fresno and Tulare Counties. The townsite of Orange Cove is in the centre of this tract. At the present time the town

has approximately 25 inhabitants.

About 1912 Orosi Orange Land Company began the construction of a small water system for the purpose of serving the townsite with water. This system consists of a well from which water is pumped, a small pump and the necessary machinery for pumping water and pipes for carrying and distributing water to the inhabitants of the town.

Applicant represents that the total cash outlay for the construction of this system to May 1, 1915, is the sum of \$860.91.

Orosi Orange Land Company desires to sell

this system in order that it may be free from the burdens of a public utility, and to this end it has caused to be incorporated The Cove Water Company, with an authorized capital stock of \$5,000, divided into 5,000 shares of the par value of \$1. each.

If it were the intention of Orosi Orange Land Company to dispose of this stock to the public, I should require further evidence as to the present value of this system and its earning capacity. It is my understanding, however, that applicant proposes to retain possession of this stock in order to control the water system at Orange Cove, and under these circumstances I believe that the application may be granted.

I submit the following form of order:

O R D E R

Orosi Orange Land Company having applied to this Commission for authority to transfer a certain water utility system in Orange Cove, Fresno County, to The Cove Water Company in exchange for 800 shares of stock of the latter company, as hereinbefore set forth;

And a hearing having been held, and it appearing to this Commission that applicant's request is reasonable and should be granted, and that the purposes for which it is proposed to issue said stock are not reasonably chargeable in whole or in part to operating expenses or to income;

IT IS HEREBY ORDERED that Orosi Orange Land Company be, and it is hereby, authorized to transfer a water utility system now owned and operated by it in Orange Cove, Fresno County, which properties are more fully described in a statement attached hereto and marked Exhibit "A", to The Cove Water Company;

IT IS FURTHER ORDERED that The Cove Water Company be, and it is hereby, authorized to issue 803 shares of its capital stock of the par value of \$1. per share, for the following purposes, to wit:

800 shares to Orosi Orange Land Company in exchange for the properties herein authorized to be transferred;

3 shares to Warren B. Pinney, E. A. Holmes and Thomas S. Bell, directors of The Cove Water Company, for the purpose of qualifying said directors.

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

1. The Cove Water Company shall issue the stock herein authorized to be issued at not less than the par value of \$1. per share;
2. The par value of the stock herein authorized to be issued shall not be binding upon this Commission or any other public body as representing the value of the properties of The Cove Water Company for rate making or other purposes;
3. The authority herein granted for transfer of property and issue of stock shall apply only to such transfer of property and such issue of stock as shall have taken place on or before January 1, 1915.

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.

Dated at San Francisco, California, this 28th day of July, 1915.

Max Thelen  
H. S. Howard  
Chas. Gordon  
Edwin O. Edgerton

Commissioners.

EXHIBIT "A"

All that real property situated in the County of Fresno, State of California, described as follows:

Block Eighty (80) in Section Thirteen (13), Township Fifteen (15). South, Range 24 East, M. D. E. and M. reserving and excepting therefrom all rights of way as of record.

Also the domestic water system in the town of Orange Cove consisting of an engine and pumps, a tank and tools and appliances situated upon the above described premises; also all water mains, service and connections in and about said premises and said town of Orange Cove which are used for the purpose of carrying and delivering water; it being the intention of said Grosi Orange Land Company to convey all personal property of every character in and about said town of Orange Cove owned by it and which is and heretofore has been used as a part of its water system.