Decision No. 304

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of COAST VALLEYS GAS AND ELECTRIC COMPANY and KING CITY WATER, LIGHT AND POWER COMPANY for an order authorizing said King City Water, Light and Power Company to sell to said Coast Valleys Gas and Electric Company all of the property belonging to said King City Water, Light and Power Company.

Application No. 229.

ORIGINAL

Decision No. 304

Chickering and Gregory for Applicants.

ESHLEMAN, Commissioner.

O P I N I O N

The Coast Valleys Gas and Electric Company applies to buy and the King City Water, Light and Power Company applies to sell all the property of the latter company. This property consists mainly of a steam electrical plant and distribution system in King City, Monterey County, California. Heretofore the Coast Valleys Gas and Electric Company was permitted to purchase all of the stock of the King City Water, Light and Power Company. (See Application No. 9.) No one appeared in opposition to the granting of the application, and, under the circumstances of the case, I believe that we should permit the transfer of the property. Under ordinary circumstances it is desirable where one utility owns all of the stock of another, that the ownership of the property should also be acquired by the utility owning the stock, and thus avoid unnecessary duplication in the management of the property. There may be cases where the Commission would not permit a sale of the property, even where the Company desiring to purchase owned all the stock of the company desiring to sell. If the Company desiring to purchase should be in a bad condition financially and the sale would extend the lien of the bonded indebtedness of the company desiring to buy over the property to be purchased, as would ordinarily be the case, it might

23

be inadvisable to permit the formal transfer of the property. Under the circumstances of this case, however, I find that such a condition does not exist. The transfer, as far as the utilities are concerned, being a mere proforma proceeding, and, the Coast Valleys Gas and Electric Company having heretofore paid an adequate purchase price for the stock of said company, the question of the amount of consideration for the transfer of the property becomes immaterial, and I find that public convenience and necessity will be served by allowing the transfer to be made, and I therefore recommend the following order:

O R D E R

Coast Valleys Gas and Electric Company having applied to purchase and the King City Water, Light and Power Company, having applied to sell the following described property,

1. All that certain piece or parcel of land situate, lying and being in the town of King City, county of Monterey, State of California, bounded and particularly described as follows, to wit:

Commencing at the southwest corner of lot number two (2) and running thence in a northerly direction along the easterly line of Second Street, two hundred fifty (250) feet, thence at right angles in an easterly direction, three hundred seventy-three (373) feet; thence at right angles in a southerly direction two hundred fifty (250) feet; thence at right angles in a westerly direction three hundred seventy-three (373) feet to the point of beginning and being the southern portion of lot number two (2) as shown and designated on Map of Burbank and Devendorf Villa Lot Addition to the Town of King City, County of Monterey, State of California, and on file and of record in the County Recorder's Office of the aforesaid Monterey County; together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in

any wise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof. ;

2. A steam plant for the generation of electricity, with the engines, boilers, generators and all other equipment therein, and all of which is now situate in the corrugated iron building upon the lot of land hereinbefore specifically described.;

3. A well and induction pump in the said King City, and an elevated wooden tank.;

4. A local distributing system for electricity and also water in said King City.;

5. All franchises, permits, rights of way, and privileges and all other property of every kind and nature belonging to the said party of the second part or in which it has any interest, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining. ;

And a hearing having been held, and basing its order on the findings of fact set out in this Opinion and Order;

IT IS HEREBY ORDERED that the applicant, the Coast Valleys Gas and Electric Company, be permitted to purchase all of the above described property from the King City Water, Light and Power Company.

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 October, 1912.

John M Eshleman
H D Loveland
Geo Graham
Edwin O. Edgerton
Max Thelen

Commissioners.