

ORIGINAL

Decision No. 358

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 In the Matter of the Application of
 MIDLAND COUNTIES GAS & ELECTRIC COMPANY
 to purchase certain shares of the capital
 stock of Russel-Robison Water & Electric
 Company; of the Coalinga Water & Electric
 Company to sell certain shares of the
 capital stock of Russel Robison Water &
 Electric Company; and of Russel-Robison
 Water & Electric Company and Coalinga
 Water & Electric Company for the transfer
 of certain real estate in the Town of
 Arroyo Grande from Coalinga Water &
 Electric Company to Russel-Robison Water
 & Electric Company.

Application No. 299.

O P I N I O N

LOVELAND, Commissioner.

This is an application by Midland Counties Gas & Electric Company to purchase one hundred seventy-seven shares of the capital stock of Russel-Robison Water & Electric Company from Coalinga Water & Electric Company. Coalinga Water & Electric Company joins in the application. Application is also made for the transfer of certain real estate in the Town of Arroyo Grande from Coalinga Water & Electric Company to Russel-Robison Water & Electric Company.

Russel-Robison Water & Electric Company owns and operates an electric light plant and water works in and about the town of Arroyo Grande, San Luis Obispo County. One hundred and eighty shares of capital stock have been issued by Russel-Robison Water & Electric Company.

Midland Counties Gas & Electric Company owns and operates an electric light plant in San Luis Obispo, San Luis Obispo County, and in Santa Maria, Santa Barbara County, and intends to operate transmission lines between said towns to distribute electric power to the territory adjacent to said lines. Midland Counties Gas & Electric Company is subsidiary to Coalinga Water & Electric Company, which owns 80% of the issued capital stock of Midland Counties Gas & Electric Company. Coalinga Water & Electric Company also owns one hundred seventy-seven shares of the issued capital stock of

Russel-Robison Water & Electric Company, acquired by purchase on March 20, 1912, for the sum of \$35,000.

It is set forth in the application that the location of Russel-Robison Water & Electric Company in the town of Arroyo Grande, between San Luis Obispo and Santa Maria makes it advisable that it should be operated by Midland Counties Gas & Electric Company rather than by Coalinga Water & Electric Company. Application is made, therefore, that Midland Counties Gas & Electric Company be given authority to purchase the one hundred seventy-seven shares of capital stock of Russel-Robison Water & Electric Company now held by Coalinga Water & Electric Company, for the sum of \$35,000 plus interest for six months at the rate of 6% per annum and \$450 representing the costs of certain additions to the plant of said Russel-Robison Water & Electric Company made by said Coalinga Water & Electric Company.

It is further set forth in the application that at the time of the purchase of the stock of Russel-Robison Water & Electric Company by Coalinga Water & Electric Company, it was found that the title to certain real property in the town of Arroyo Grande used by said Russel-Robison Water & Electric Company stood in the name of Russel Robison, and by inadvertence said real property was conveyed to said Coalinga Water & Electric Company instead of to Russel-Robison Water & Electric Company. It is now desired that this real property be transferred by Coalinga Water & Electric Company to Russel-Robison Water & Electric Company in order that the real intention of the parties to the original purchase of said stock by Coalinga Water & Electric Company be carried out. The real property which it is desired to transfer is described in detail on page 5 of this application.

The application as filed with the Commission petitions also for an order authorizing the transfer to Russel-Robison Water & Electric Company by Russel Robison of franchises owned by said Russel Robison. At the hearing it was requested that consideration of this part of the application be delayed until a later date when it will be

made the subject of a further application.

I find that public convenience and necessity will be served by allowing the purchase of the capital stock of Russel-Robison Water & Electric Company by Midland Counties Gas & Electric Company so that it may be operated by the utility covering the territory in which Russel-Robison Water & Electric Company is located. I find also that public convenience and necessity will be served by allowing the transfer of real estate used by Russel-Robison Water & Electric Company and owned by Coalinga Water & Electric Company to Russel-Robison Water & Electric Company.

I therefore recommend the following Order.

O R D E R.

Midland Counties Gas & Electric Company having applied to this Commission for authority to purchase one hundred seventy-seven shares of the capital stock of Russel-Robison Water & Electric Company and Coalinga Water & Electric Company having joined in the application to sell said shares of Russel-Robison Water & Electric Company to Midland Counties Gas & Electric Company, and Russel-Robison Water & Electric Company and Coalinga Water & Electric Company having made application for an order authorizing the transfer of certain real estate in the town of Arroyo Grande from Coalinga Water & Electric Company to Russel-Robison Water & Electric Company,

And a hearing having been held and it appearing that public convenience and necessity will be served by granting the application as applied for,

IT IS HEREBY ORDERED, that Midland Counties Gas & Electric Company be permitted to purchase one hundred seventy-seven shares of the capital stock of Russel-Robison Water & Electric Company for \$35,000 plus interest for six months at the rate of 6% per annum and \$450. as applied for, said price being \$36,500; that Coalinga Water & Electric Company be permitted to sell said one hundred seventy-seven shares of the capital stock of Russel-

Robison Water & Electric Company at said price; that Coalinga Water & Electric Company be permitted to transfer to Russel-Robison Water & Electric Company that certain piece of real estate in the town of Arroyo Grande used by Russel-Robison Water & Electric Company as described in detail on page 5 of the application herein considered.

As a condition to this order it is understood that the Commission is not committed to the acceptance of \$36,500 or any other sum as the fair value of the property of Russel-Robison Water & Electric Company in any future consideration of the affairs of the applicants herein.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission.

Dated at San Francisco, California, this 6th day of December, 1912.

John M. Coshman
W. D. Loveland
Edwin O. Edgerton

Commissioners.