

BEFORE THE RAILROAD COMMISSION  
OF THE STATE OF CALIFORNIA.

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Decision No. 624

ORIGINAL

In the Matter of the Application of  
CITIZENS LIGHT & WATER COMPANY, to  
sell and the CLAREMONT DOMESTIC WATER  
COMPANY to purchase property of the  
Citizens Light & Water Company, and  
for an order authorizing the issue  
of \$70,000 of the capital stock of  
the Claremont Domestic Water Company.

Application No. 501.

Edwin A. Meserve and W. A. Sumner for applicants.

ESHLEMAN, Commissioner.

O P I N I O N

The applicant Citizens Light & Water Company, serves the city of Claremont and a few consumers adjacent thereto with water for domestic purposes. Its authorized capital stock is \$75,000, common, of which there is outstanding \$54,240 par value. There is no bonded indebtedness and the floating indebtedness is approximately \$8,500. The section served by this applicant is rapidly developing and extensions are necessary.

The applicant Claremont Domestic Water Company, is controlled by the stockholders of the Citizens Light & Water Company. Its authorized capital stock is \$100,000, and it desires to purchase the property of the Citizens Light & Water Company by issuing \$70,000 of its authorized issue at par and assuming the current obligations of the Citizens Light & Water Company amounting to approximately \$8,500, and to issue hereafter the remaining \$30,000 of its \$100,000 authorized issue and sell the same at par for the purpose of securing funds for making the needed extensions in its system.

In February, 1912, at the instance of the Board of Trustees of the city of Claremont, a valuation was made of the property of

Citizens Light & Water Company by A. L. Sonderegger and Willis S. Jones, engineers agreed upon by the city of Claremont and the Citizens Light & Water Company. These engineers found the present value of the property to be at that time \$89,645. Inasmuch as the property is to be purchased by the Claremont Domestic Water Company at approximately \$79,000, and furthermore, the purchase price will not be binding upon this Commission or any other rate fixing body in fixing rates, I deem it unnecessary to go further into the valuation presented by these engineers.

The result of granting this application will be to give the stockholders of the Citizens Light & Water Company the same proportionate ownership in the Claremont Domestic Water Company as they now have in the Citizens Light & Water Company, and in addition will afford a method of raising additional funds by sale of stock, which seems to me to be in all respects proper. I therefore recommend that the application be granted and submit the following order:

O R D E R .

CITIZENS LIGHT & WATER COMPANY having applied to sell and the CLAREMONT DOMESTIC WATER COMPANY having applied to purchase all of the property of the Citizens Light & Water Company hereinafter more specifically described, and the Claremont Domestic Water Company having applied to issue and exchange at par \$70,000 par value of its capital stock for such property of the Citizens Light & Water Company and to assume certain outstanding obligations of the Citizens Light & Water Company approximating \$8,500, and a hearing having been held, and being fully apprised in the premises,

THE COMMISSION HEREBY FINDS AS A FACT that the public convenience and necessity will be served by granting the application herein, and

Basing its order upon the foregoing finding of fact and the findings of fact in the opinion hereto,

IT IS HEREBY ORDERED:

1. That the Citizens Light & Water Company may sell, and the Claremont Domestic Water Company may purchase all of the property of the Citizens Light & Water Company in the county of Los Angeles in and around the city of Claremont in said county, said property being more particularly described as follows: All of the distribution system and mains and other appurtenances of whatsoever nature incident to and useful for the distribution of water within the city of Claremont and in territory adjacent thereto, being all the water system now owned by the Citizens Light & Water Company, and the following described real estate situate in the county of Los Angeles, State of California:

Lot 11 in Block 35 of Claremont, and the northeast quarter of the northeast quarter of the southwest quarter of the southeast quarter in Section 33, Township 1 north, range 8 west, S.B.M, five (5) acres in the southeast corner of the southwest quarter of the southeast quarter of Section 33, described in metes and bounds as follows:

Beginning at the southeast corner of the southwest quarter of the southeast quarter of Section 33; thence north along the line of said southwest quarter of the southeast quarter of Section 33, 506.5 feet; thence at right angles west 430 feet; thence south parallel with the east line of the southwest quarter of the southeast quarter of Section 33, 506.5 feet; thence east 430 feet to the point of beginning.

That certain portion of the southwest quarter of the northeast quarter of the southeast quarter, and of the northwest quarter of the southeast quarter of the southeast quarter of Section 33, Township 1 north, range 8 west, S.B.M., in the County of Los Angeles, bounded and particularly described as follows, to-wit:

Beginning at a point on the south line of the southwest quarter of the northeast quarter of the southeast quarter of Section 33, which is distant  $41\frac{1}{2}$  feet east of the intersection of said south line with the east line of the street running north and south along the west line of said land; running thence at right angles south  $4\frac{1}{2}$  feet; thence at right angles east  $33\frac{1}{2}$  feet; thence at right angles north  $72\frac{1}{2}$  feet; thence at right angles west  $33\frac{1}{2}$  feet; thence at right angles south 68 feet to the point of beginning.

Also, all of the right, title and interest of said Citizens Light & Water Company in the following property:

Being the exclusive right to develop water on the southwest quarter and the northeast quarter of the southeast quarter of Section 33, Township 1 north, range 8 west, S.B.M., and the restricted right so long as said Company and its successor or its successors in interest shall furnish irrigation water for the same, on the Northwest quarter and the southeast quarter of the southeast quarter of Section 33, township 1 north, range 8 west, S.B.M.

2. The Claremont Domestic Water Company is authorized to issue 7000 shares of its stock of the par value of \$70,000, and to deliver the same to the Citizens Light & Water Company in exchange for the property hereinbefore described, and the Claremont Domestic Water Company is further authorized to assume the present outstanding indebtedness of the Citizens Light & Water Company approximating \$8,500.

The foregoing order is, and each part thereof, made with the following conditions:

1. The value of \$89,645 presented as an appraised value of the property herein authorized to be sold and purchased, or the purchase price herein authorized to be paid, shall not be binding upon this Commission or any other rate fixing body for rate fixing purposes.

2. The fact of this exchange in ownership of the property shall not be used for the purpose of increasing or changing the rates for water delivered by the Claremont Domestic Water Company from the system which it is herein authorized to purchase.

3. The applicants hereto shall report to this Commission when the \$70,000 par value of stock is transferred to the Citizens Light & Water Company and the property to the Claremont Domestic Water 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 29<sup>th</sup> day of April, 1913.

John M. Washburn

John Gordon

Edwin C. Edgerton

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Commissioners.