

Testimony and Exhibits

Prosecutive No. _____

File No. 7662

THE PUBLIC SERVICE COMMISSION OF THE COMMONWEALTH OF PENNSYLVANIA

Application by _____

Public Service Company or Municipal Corporation

Lyons County Gas & Electric Co.
nature of petition

Philadelphia, Pa., January 11, 1923.

INDEX OF WITNESSES

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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE COMMONWEALTH OF PENNSYLVANIA

Application of Luzerne County Gas and Electric Company,
et al., for the approval of the consolidation and merger of the
Luzerne County Gas and Electric Company, West Side Gas Company,
West Side Electric Light Company, West Hazelton Gas Light Com-
pany, Consumers Electric Light Company of Newport Township,
Maconaque Electric Light, Heat and Power Company, into a new
company to be known as the Luzerne County Gas and Electric
Company.

Application Docket No. A.7662-22.

Hearing held in Room 432, City Hall, Philadelphia,
Pa., on Thursday, January 11, 1923, at 10 o'clock A. M.

PRESENT: COMMISSIONER BENN, Presiding.

CHARLES HENRY SCOTT, JR., ESQ., represent-
ing the Applicant.

APPLICANT'S EVIDENCE

MR. SCOTT: I should like to make a short statement
for the record, then have Mr. Craig, of the Luzerne County
Gas and Electric Company, sworn, and give his testimony.

This is an application by the Luzerne County Gas and Electric Company and five other and smaller companies operating or authorized to operate in substantially the same district. The merger is proposed so that the new and merged company will have an authorized capital stock of 31,000 shares of no par value stock, of which 21,000 will be common stock, and 10,000 preferred stock, both of no par value.

The indebtedness of the new company will be the present authorized indebtedness of the Luzerne County Gas and Electric Company, being one hundred millions. The other companies have no indebtedness of any kind at the present time outstanding.

I. L. CRAIG, having been duly sworn, was examined and testified as follows.

BY MR. SCOTT:

Q. What is your position with the Luzerne County Gas and Electric Company ?

A. I am the rate engineer of the Luzerne County Gas and Electric Company.

Q. You are also a Director of that company, are you not ?

A. Yes, I am.

Q. You are familiar with this company and with the other companies forming the proposed merger ?

A. I am, yes, sir.

Q. The Luzerne County Gas and Electric Company is an operating company ?

A. It is at the present time.

Q. And generally speaking what district does it serve ?

A. It serves the territory lying along the Susquehanna River in Luzerne County from the edge of the borough line on the upper or northerly side of the river through a territory from twenty-two miles long extending to the borough of Shickshinny on the lower side. It contemplates also two townships on the opposite side of the river at the lower end, namely, Hanover and Mocoonaqua, I think it is.

Q. These other companies, the West Side Gas Company, the West Side Electric Light Company, the West Hazelton Gas Light Company, Consumers Electric Light Company of Newport Township, and Mocoonaqua Electric Light, Heat and Power Company,-- are these companies chartered to serve in substantially the district now served by the Luzerne County Gas and Electric Company, or parts of it ?

A. They are. They cover the district in which the company is now rendering service and some of the territory immediately adjacent.

Q. And are any of these companies now operating ?

A. They are not.

Q. Nor have they operated for some time now ?

A. No, they have not.

Q. The Luzerne County Gas and Electric Company is now operating in the territory through which they are chartered to serve. Is

it operating under their rights, or under other rights of its own ?

A. I believe it is operating in each case under other rights of its own.

Q. So that these rights, if this merger is approved, will be simply cumulative ?

A. That is correct.

Q. And will not in any way increase the territory through which the company is chartered ?

A. No, the territory will not be increased by the addition of these companies.

MR. SCOTT: The stock of the Luzerne County Gas and Electric Company, consisting of 20,900 shares of common stock and 285 shares of preferred stock, both \$100 par value, will, under the terms of the merger, be exchanged share for share, for the shares of the no par value common and preferred of the new and merged company. For the entire capital stock of each of the other five companies, forming the merger, two shares of the new no par value common stock of the merged company will be given.

COMMISSIONER BENN: Is there any protest in this case ?

MR. SCOTT: No, sir. We have received no notice of any protest.

COMMISSIONER BENN: Is there anything further to offer ?

MR. SCOTT: There is only one other thing which I would like to get on the record, and that is this.

BY MR. SCOTT:

Q. Mr. Craig, the merger of these companies will be of assistance to the operating force of the company by reducing the bookkeeping, the reports, and the necessity of the keeping of details for companies which are no longer performing any active duty. Is not that so ?

A. That is correct. We have these smaller underlying companies, and this will enable us to do away with the reports on them. We have also some others, which we did not include here, which we will cancel. We propose cleaning up our records and cleaning up the State's records.

Q. This particular application is part of an effort to simplify our own corporate organization ?

A. Yes.

Q. For our own purposes, as well as for the purposes of the State officers. Is that correct ?

A. That is correct.

Testimony closed.

I hereby certify that the proceedings and evidence are contained fully and accurately in the notes taken by me during the hearing of the above cause before The Public Service

Commission of the Commonwealth of Pennsylvania and that this copy is a correct transcript of the same.

J. Roy Phillips
Official Stenographer.