

NEV CAL 52

NEVADA/CALIFORNIA ELECTRIC CORPORATION: SALE OF SAN DIEGO  
CONSOLIDATED GAS AND ELECTRIC HOLDINGS

From the papers of Ed Fletcher, from his files labeled "Nevada-California Electric Corporation", which deal with the sale of San Diego Consolidated Gas and Electric holdings to Standard Gas and Electric Company of Chicago, Illinois, controlled by H.M. Byllesby and Company, a banking house in Chicago.

The following files were removed, in entirety, and transferred to the alphabetized correspondence files:

BAIRD, Robert W., President, The Securities Company of Milwaukee, Inc.  
JAVITS, Jacob K., of Javits and Javits law firm, New York  
GEISSE, Harold L. of Chicago  
COWAN, Lewis F.  
LOUCKS, Charles O., attorney, Chicago  
LYNCH, Bernard W., President, Standard G&E  
WEST, A.B., President, Nevada-California Electric

In addition, the following letters were removed, and placed in alphabetized correspondence files, under NEVADA/CALIFORNIA ELECTRICAL CORPORATION MISCELLANEOUS CORRESPONDENCE

BLACK, James  
Black to Fletcher, 12/30/36  
Black to B.W. Lynch, 12/30/36  
CLERK OF THE COURT (Wilmington, Delaware)  
Fletcher to Clerk of the Court, 9/11/36  
Clerk of the Court to Fletcher, 9/15/36  
CROCKER, Frank L.  
Fletcher to Crocker, 12/28/38  
Crocker to Fletcher [2 letters] 1/4/39, 1/11/39  
EMANUEL, Victor, president, AVIATION CORPORATION, New York City  
Fletcher to Emanuel, 4/25/40  
Emanuel to Fletcher, 4/30/40  
HAGENAH, William J.  
Fletcher to Hagenah, 2/8/39  
Hagenah to Fletcher, 2/15/39  
KEEFE, J.H.  
Fletcher to Keefe, 9/28/36  
Keefe to Fletcher, [2 letters] 9/30/36, 10/5/36 with  
confidential report on Charles C. Louck  
Fletcher to O'BRIEN, 12/26/35  
WARD AND GRAY  
Fletcher to Ward and Gray, 9/17/36  
Ward and Gray to Fletcher, 9/21/36  
WHITSELL, Leon  
Fletcher to Whitsell, 8/20/36  
Whitsell to Fletcher, 8/21/36  
Lindholtz to W.F. YOUNG, 5/28/36

# Pacific Gas and Electric Company

245 Market Street

San Francisco, California

James B. Black  
President

December 30, 1936

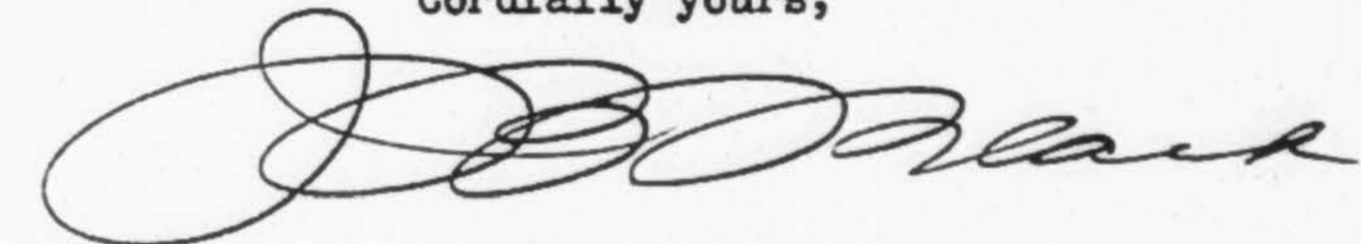
Mr. Ed. Fletcher,  
1020 Ninth Ave.,  
San Diego, Calif.

My dear Colonel Fletcher:

I am enclosing copy of a letter which I have sent to Mr. Lynch. I am sorry I have not the advantage of a personal acquaintanceship with him.

Wishing you the Compliments of the Season, I am

Cordially yours,



JBB:TP

December 30, 1936

Mr. B. W. Lynch,  
President, Standard Gas  
and Electric Company,  
231 South LaSalle St.,  
Chicago, Ill.

Dear Mr. Lynch:

Col. Ed. Fletcher, resident of San Diego and well known citizen of California, advises me that he has interested himself in the negotiations for the possible sale of your San Diego properties. As he does not have the pleasure of knowing you personally, he has asked me to write you with respect to his interest, which I am very pleased to do.

I assume that Col. Fletcher will wish to communicate with, or call on you, and I am sure that anything he may have to say will be well worth listening to.

Wishing you the Compliments of the Season, I am

Cordially yours,

J. B. BLACK

JBB:TP

Copy: Col. Ed. Fletcher

April 25, 1940

Mr. Victor Emanuel, President  
The Aviation Corporation  
Graybar Building  
New York, N.Y.

My dear Mr. Emanuel:

I appreciated our mutual friend, C.F. Smith, making the contact so I could have a word with you relative to the possible sale of the San Diego Consolidated Gas & Electric Company properties to the Nevada-California Electric Corp. I am hoping in time that you will make it possible for me to submit a plan of sale of the ninety-nine thousand odd shares of stock to the Nevada-California Electric Corp.

I have been working on this matter for years, was a friend of Mr. Byllesby for years and had a definite pledge from Mr. O'Brien that when the property could be sold, I would have an opportunity to handle it. The understanding was - I was to be paid \$100,000 as my commission. This money to come from the Nevada-California people and the Byllesby people to pay nothing and was to be my only compensation. I have spent \$1500 or \$2000, made three or four trips East trying to put this deal over and at one time came very close to making the sale on the basis of eleven million dollars.

After Mr. O'Brien's death, I took the matter up several times with Mr. Lynch and have had considerable correspondence with him, and have a written agreement with the Nevada-California Electric Corp.

I saw Mr. Leo Crowley in Washington and he referred me to a Mr. Parrott but I found him out of the City. In Boston my friend, Ed Prouty with Lee-Higginson Company, gave me a copy of Mr. Crowley's letter of the 13th to the holders of stock relative to an exchange. At the suggestion of Mr. Lynch a year or two ago, I saw the SCC and secured their informal consent of the consolidation of the Nevada-California Company with the San Diego Gas & Electric Company. As and when the proper time comes, I would appreciate any suggestions from you in this matter.

For reference I give you:

Mr. C.C. Yaukey of Wausau, Wisconsin  
Mr. E.J. Engel, President  
Santa Fe Railway Co., Chicago  
and with whom I have been associated  
for many years.  
Mr. Emil Schramm, Pres. R.F.C., Washington, D.C.  
Mr. Carroll B. Merriam, Member R.F.C. " "

Mr. Victor Emanuel:  
April 25, 1940

I know that C.R.Smith will vouch for me also.

I know you are a busy man, C.R. vouches for you in every particular, and as and when the time comes, give me the opportunity please. I understand you are Chairman of the Committee of the Standard Gas & Electric, who, in the last analysis have the say as to what is to be done with the property and how. I agree with you that the valuations which the Government may have on the property are high and do not see how it can be worked out on the basis that they would like to see it put through. All I am asking now is that you keep me in mind that I may take the matter up with my friends in the Nevada-California Company at the proper time.

If you come out to California, please send me a wire for I would like to take the matter up with you in person, as well as showing you around a bit - here and in Mexico.

With kind regards,

Sincerely yours,

ED FLETCHER

EF/jv

AVIATION AND TRANSPORTATION CORPORATION  
420 LEXINGTON AVENUE  
New York

April 30, 1940

Ed Fletcher, Esq.  
1020 Ninth Avenue  
San Diego, California

Dear Mr. Fletcher:

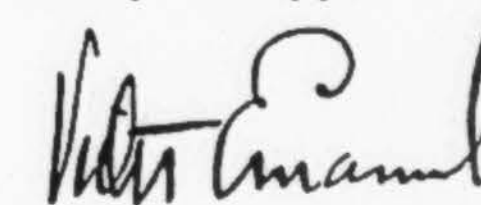
This will acknowledge the receipt of your letter of April 25, which I have noted carefully.

I am not familiar with past negotiations for the sale of the San Diego property, except that I knew another company in California had been interested in it for some time. However, I will keep your letter in mind, but at the moment it cannot be determined just how this matter is going to terminate.

With kindest personal regards, I

am

Yours very truly,



VE W

December 26, 1935

Hon. J. J. O'Brien  
President Byllesby Engineering Corporation  
231 South La Salle Street  
Chicago, Illinois

Confidential

My dear Judge:

Enclosed find copy of letter I have received from Mr. West which is explanatory, also copy of letter of December 24th just received. Please treat these letters in confidence.

I am coming East in a short time and don't you think under all the circumstances we had better have a conference on the subject? I have been working since I saw you last six or eight months ago to get Mr. West in this frame of mind and I don't like to quit unless I have to.

Please return my other original letter.

Wishing you the Compliments of the Season

Sincerely yours

EF:RC

Encs.

February 8, 1939

PERSONAL

Mr. William J. Hagenah, President  
Public Utilities Engineering & Service Co.  
231 So. La Salle Street  
Chicago, Illinois

My dear Mr. Hagenah:

I have been working with Mr. Lynch for a year or two trying to bring about the sale of the San Diego Gas & Electric to the Nevada-California Electric Corporation. He sent me to Washington, I consulted with the Securities & Exchange Commission, was introduced through a member of the RFC, made splendid contacts; the Securities & Exchange Commission told me they would be glad to see the consolidation, welcome it, and still we are getting nowhere.

As you will remember, way back before Mr. Lynch was President, I took the matter up with his predecessor, and was promised when the time came I would have a chance to make a sale, the compensation to be \$100,000.

I am still working on this matter, I have spent several thousand dollars of my own money trying to put the deal through, so I am asking if you will not write me what the real situation is, why we are being stalled all the time and what can be done, and how to do it in order to get some action. It is an isolated property and I have been led to believe that they are desirous of selling it. We were planning on buying a lot of notes or debentures of the Standard Gas & Electric Corp., and making an exchange and talked along these lines with the Securities & Exchange Commission and received considerable encouragement from them.

I know you will treat this letter in confidence and write me in confidence with any suggestions you have to make - it will be much appreciated.

With kind personal regards,

Sincerely yours,

EF/jv

cc - A. B. West

Public Utility Engineering and Service Corporation

231 South La Salle Street

CHICAGO



William J. Hagenah  
President

February 15, 1939.

Mr. Ed Fletcher,  
1020 Ninth Avenue,  
San Diego, California.

Dear Mr. Fletcher:

This will acknowledge receipt of your  
letter of February 8.

I have, on a number of occasions during  
the last few years, heard of conversations  
about the possible sale by Standard Gas and  
Electric Company of a part or all of its in-  
vestment in the securities of San Diego Con-  
solidated Gas and Electric Company. I have  
never been an officer or director of Standard  
Gas and Electric Company, and therefore have  
no information as to what negotiations, if  
any, were had. My information was only of  
the most general nature, and, of course, I  
have no knowledge of any commitments that  
might have been made or of the status of this  
subject matter at this time.

With kindest regards, I am,

Very truly yours,

*Wm. J. Hagenah*  
President.

WJH-E

September 11, 1936.

Clerk of the Court  
Wilmington, Delaware.

Dear Sir:

Could you furnish me with a copy of the list of  
creditors of the Standard Gas & Electric Company now in receivership  
in Judge Nealds court. All I need is a list of the principal  
creditors.

I am sending stamped envelope and would appreciate  
a letter from you in answer.

Yours sincerely,

EF M

*Dr. Quinn*

DEPARTMENT OF JUSTICE  
UNITED STATES DISTRICT COURT  
OFFICE OF THE CLERK  
DISTRICT OF DELAWARE  
WILMINGTON

H. C. MAHAFFY, JR.,  
CLERK

September 15, 1936

Hon. Ed Fletcher  
1020 Ninth Ave.  
San Diego, California

Dear Sir:

I have your letter of the 11th instant.  
No list of creditors has been filed in the matter  
of Standard Gas and Electric Company, Debtor,  
No. 1204 In Proceedings for Reorganization. The  
order provides that creditors file their proofs  
of claim with Messrs. Ward & Gray, Delaware Trust  
Building, Wilmington, Delaware.

Yours very truly,

*H. C. Mahaffy, Jr.*  
Clerk.

HCM:EC

*air mail*

*As. Quinn*

September 17, 1936.

Messrs. Ward & Gray,  
Delaware Trust Building,  
Wilmington, Delaware.

Gentlemen:

Could you furnish me with a copy of the  
list of creditors of the Standard Gas & Electric Company.  
All I need is a list of the principal creditors, whose claims  
I understand are filed with you.

I am sending stamped envelope and would appreciate  
a letter from you in reply.

Yours sincerely,

EF M

CLARENCE A. SOUTHERLAND  
JAMES H. HUGHES, JR.  
E. ENNALLS BERL  
HERBERT H. WARD, JR.  
WILLIAM S. POTTER  
PAUL LEAHY  
SYBIL U. WARD  
DAVID F. ANDERSON  
GEO. GRAY THOURON

LAW OFFICES  
**WARD & GRAY**  
DELAWARE TRUST BUILDING  
WILMINGTON, DELAWARE  
TELEPHONE WILMINGTON 5277

GEORGE GRAY  
1883 1899, 1914 1925  
HERBERT H. WARD  
1882 1927  
ANDREW C. GRAY  
1895 1929

Re: Standard Gas and Electric Company

September 21, 1936.

Hon. Ed Fletcher,  
State Capital,  
Sacramento, California.

Dear Sir:

This is to acknowledge receipt of your letter of September 17th.

In reply to your request for a list of the principal creditors of the above company, we would state that the claims filed by the Trustees for the holders of the various notes and debentures are as follows:

Guaranty Trust Company of New York, Trustee for holders of 20 Yr. 6% Gold Notes due Oct. 1, '35, \$14,823,000.00

Guaranty Trust Company of New York, Trustee for the holders of 6% Convertible Gold Notes due Oct. 1, '35, \$ 9,826,500.00

Continental Illinois National Bank & Trust Co. of Chicago, Trustee for the holders of 6% Gold Debentures, Series A, Due Feb. 1, '51 \$15,000,000.00

Continental Illinois National Bank & Trust Co. of Chicago, Trustees for the holders of 6% Gold Debentures, Series B, due Feb. 1, '66, \$10,000,000.00

Guaranty Trust Company of New York, Trustee for the holders of Standard Power & Light Corporation 6% Gold Debentures due Feb. 1, '57, \$ 24,000,000.00

Yours very truly,

W Jr:H

*Clarence A. Southerland*

August 20, 1936.

Mr. Leon Whitsell, President  
State Railroad Commission,  
State Building,  
San Francisco, California.

My dear Mr. Whitsell:

I am desirous of securing the following information pertaining to the San Diego Consolidated Gas & Electric Company plant in San Diego. I take it that their exhibits are a matter of public record.

Can you have someone in your department furnish me information pertaining to original cost, depreciation and some idea of the opinion of the engineering department as to physical condition of the gas properties.

I am also very anxious to know what the losses are as between production and delivery to consumer, showing losses in transit or distribution. I take it all of this information is a matter of public record.

If there is any expense attached thereto in securing this information I will pay for it. Under no conditions will it be used in any public matter if that is your desire. All I want are the facts. A letter from you or someone in the engineering department on this subject will be appreciated. I am not interested in the electric department.

Did the legislature give you the necessary money to print your annual public utility report this year? If they did not I will make it my special and first order of business at the next session of the legislature. If they did give you the funds, please by return mail send me a copy of the 1935-36 reports. If there is any cost I will pay for it. An early reply will be appreciated.

With kindest personal regards, I am

Sincerely yours,

EF M

Copy A.B. West 2/24

M. B. HARRIS PRES. COMMISSIONER  
LEON O. WHITSELL COMMISSIONER  
W. J. CARR COMMISSIONER  
WALLACE L. WARE COMMISSIONER  
FRANK R. DEVLIN COMMISSIONER  
HENRY G. MATHEWSON SECRETARY  
WARREN K. BROWN DIRECTOR OF  
TRANSPORTATION  
W. C. FANKHAUSER FINANCIAL EXPERT  
IRA H. ROWELL ATTORNEY  
CLAUDE C. BROWN CHIEF ENGINEER  
W. R. WILLIAMS EXAMINER

**Railroad Commission**  
of the  
**State of California**

BRANCH OFFICE  
708 STATE BLDG.  
LOS ANGELES

TELEPHONE MADISON 1271

JAS. E. MCCAFFREY  
REPRESENTATIVE FOR  
SOUTHERN CALIFORNIA

FIFTH FLOOR CALIFORNIA STATE BUILDING  
CIVIC CENTER  
SAN FRANCISCO, CAL.

WM. H. GORMAN CHIEF TRUCK AND  
STAGE DIVISION  
HOWARD G. FREAS RATE EXPERT  
G. HUNTER TRANSPORTATION ENGINEER  
L. ENGELHARDT SAFETY ENGINEER  
FRANK B. AUSTIN DIVISION OF  
INVESTIGATION  
M. R. MACKALL HYDRAULIC ENGINEER  
A. B. FRY TEL. AND TEL. ENGINEER  
C. T. MESS VALUATION ENGINEER  
E. F. MCNAUGHTON DIRECTOR OF RESEARCH  
A. T. PETTEY REPORTER

TELEPHONE UNDERHILL 8700

ADDRESS ALL COMMUNICATIONS TO  
RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

August 21, 1936.

File No. 499-2.

*Copy of G. 2nd - 8/24*

Mr. Ed Fletcher,  
1020 Ninth Avenue,  
San Diego, California.

My dear Senator Fletcher:

Upon reading your recent letter I immediately turned it over to a member of our engineering staff and asked him to collect the information asked for and I now have this material before me.

As you know, this Commission made a rather exhaustive study of property and operations of the San Diego Consolidated Gas and Electric Company during the year 1934 and on February 4, 1935, rendered its Decision No. 27750. In this decision the historical cost assigned to the gas properties of the San Diego Company is given as \$12,100,000. If the net additions and betterments be added so as to bring this property up to the end of 1935, the corresponding figure becomes approximately \$12,250,000.

In the decision referred to the Commission found an accrued depreciation on the gas properties in the amount of \$2,950,000. In terms of the cost new, this gives a condition of slightly over 75 per cent. Our engineers report that the San Diego Company keeps itself, generally speaking, in a well maintained condition.

I might point out that the above allowance provides for certain manufactured gas production property in the amount of approximately one and one-half millions of dollars. This latter figure is undepreciated. As you know the major portion of this manufactured gas capital is invested in plant which is now used largely for stand-by purposes since this system was cut over to natural gas.

Mr. Ed Fletcher

-2-

8/21/36.

The unaccounted for gas for the year 1935 was 5.3 per cent and for the year 1934 6.2 per cent. I should point out that this unaccounted for gas is based upon total purchases and that of the total purchases some 64 per cent is used by the company as fuel under its boilers in its steam plants. As the unaccounted for arises essentially on the distribution system of the utility, this large company use unduly distorts the condition of actual losses incurred in the distribution of gas. If all the losses be assigned to gas sales other than company use, the per cent unaccounted for for the year 1935 becomes 13 per cent and for 1934 16½ per cent. It is my feeling that if you use a figure around 14 per cent for the unaccounted for gas for sales other than for company use you will not be far wrong.

I find that the last annual report that this Commission has had printed was for the fiscal year 1931-32. While our budgets in periods subsequent to the last printing may have provided for this expense, it was necessary to use these funds for other purposes which were absolutely necessary to keep our declining organization intact, so that anything you may do to augment the appropriation that the Legislature may see fit to grant this Commission will be greatly appreciated and I will see that our printed reports are brought up to date. I understand that we still have one or two volumes of the 1931-32 report. If you do not have this printing I shall be very glad to send the same to you free of charge.

Very truly yours,

LEON O. WHITSELL  
Commissioner.



C  
O  
P  
Y

THE AMERICAN APPRAISAL COMPANY

LOS ANGELES  
CALIFORNIA

May 28, 1938

Mr. W.F. Young, Vice-President  
The American Appraisal Company  
38 South Dearborn Street  
Chicago, Illinois

Dear Mr. Young:

This will introduce to you Mr. L.F. Cowan of San Francisco and Los Angeles. Mr. Cowan has been engaged for a number of years in the financing of public utilities, particularly the Great Western Power Company, and several independent water companies around California including the Bear Gulch Water Company which we appraised for him, and he is presently working on a proposition involving one of the Byllesby units in Southern California.

I would greatly appreciate it if you would discuss the question of service with Mr. Cowan and if possible, arrange to have Jim White meet Mr. Cowan to outline the manner in which we might render a condensed and qualified report. I know that the Byllesby organization has a very complete property record and appraisal and if this were made available to us I am of the opinion that we could check the accuracy of such reports to a reasonable extent and submit a qualified report which might meet Mr. Cowan's requirements at a reasonable expense to him.

Yours very truly,

THE AMERICAN APPRAISAL COMPANY

(Signed) THOS. D. LINDHOLTZ

TDL:ZMD

**Ed Fletcher Papers**

**1870-1955**

**MSS.81**

**Box: 20 Folder: 10**

**General Correspondence - Nevada-  
California Electric Corporation**



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