

**ORIGINAL**

Decision No. 62784

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of

CONEJO VALLEY WATER COMPANY and  
STATE WATER COMPANY

for authorization (1) to merge  
STATE WATER COMPANY into CONEJO  
VALLEY WATER COMPANY, and (2)  
to issue 1758 additional shares  
of the \$50 par value capital stock  
of CONEJO VALLEY WATER COMPANY to  
effect such merger.

Application No. 43827  
Filed October 11, 1961

O P I N I O N

This application has been filed by Conejo Valley Water Company and State Water Company for authorization to carry out the terms of a merger agreement.

Conejo Valley Water Company and State Water Company are public utility water corporations operating in certain portions of Ventura County. The service areas are adjoining; the two systems are interconnected; all the outstanding shares of both corporations are held by Citizens Utilities Company. The Commission recently has reviewed the operations and by Decision No. 62474, dated August 23, 1961, in Application No. 43124, directed the two corporations, among other things, to file a binding merger agreement providing for the merging of the two companies into one company and the integration of their facilities into one water system. The decision also imposed certain other requirements on the two companies.

Under the agreement now presented to the Commission, State Water Company shall be merged into Conejo Valley Water Company, which shall be the surviving corporation. The separate existence of State Water Company shall cease and Conejo Valley Water Company, as the surviving corporation, shall succeed, without further transfer, to all the rights and properties of the two constituent companies and shall be subject to all their debts and liabilities. Conejo Valley Water Company will issue 1,758 shares of its \$50 par value common stock in exchange for the presently outstanding shares of common stock of State Water Company.

Applicants assert that the proposed merger and the resultant interconnection of the two systems and the coordination of the water supply are in the best interests of the public and will permit more efficient service. Upon reviewing this matter, we are of the opinion, and so find and conclude, that the merger will not be adverse to the public interest; that the money, property or labor to be procured or paid for by the issue of the shares of stock herein authorized is reasonably required for the purpose specified in this application, that is, for the exchange of shares of stock in carrying out the merger provisions; and that such purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income. We will enter our order granting the application.

The authority herein given is not to be construed as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.

O R D E R

The Commission having considered the above-entitled matter and being of the opinion that a public hearing is not necessary and that the application should be granted,

IT IS ORDERED that -

1. State Water Company is authorized to merge into Conejo Valley Water Company. Applicants are authorized to carry out the terms and provisions of the merger agreement referred to in this proceeding.

2. Conejo Valley Water Company, as the surviving corporation in the merger, shall succeed to all the rights and properties, subject to all debts and liabilities, of the constituent companies, and shall undertake all of their public utility obligations, including the requirements of Decision No. 62474, dated August 23, 1961, and may issue not to exceed 1,758 shares of its common stock in exchange for the shares of stock of State Water Company.

3. Conejo Valley Water Company is authorized and directed -

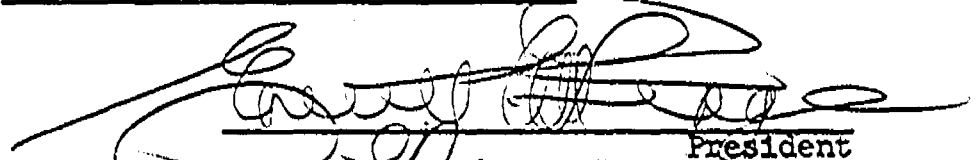



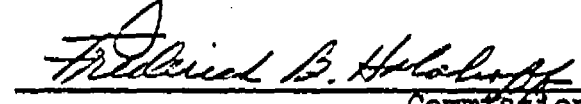
- (a) To apply the presently effective rates of State Water Company in the present service area of State Water Company;
- (b) To apply the presently effective rules of State Water Company in the entire consolidated service area; and

(c) To refile, under its name, within 30 days after the date of the merger, in conformity with General Order No. 96, and in a manner acceptable to this Commission, such of the tariff sheets, including tariff service area maps, as are necessary to provide for the application of the presently effective rates of State Water Company to the portions of the consolidated service area which are now served by State Water Company, as hereinabove authorized. Such revised tariff sheets shall become effective upon five days' notice to the public and to this Commission after filing as hereinabove provided.

4. Conejo Valley Water Company shall file a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. The authority herein granted shall become effective 20 days after the date hereof.

Dated at San Francisco, California,  
this 14th day of NOVEMBER, 1961.

  
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President  
  
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Commissioners