

ORIGINAL

Decision No. 71685

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application)
of Antelope Valley Water Co. and)
Rancho Green Valley Water Company)
for an Order authorizing the)
acquisition by Antelope Valley)
Water Co. of all of the)
outstanding capital stock, both)
preferred and common, of Rancho)
Green Valley Water Company, and)
for an Order authorizing Rancho)
Green Valley Water Company to)
issue unsecured notes in the)
total amount of \$20,308, payable)
to William R. Glore)

Application No. 48958
Filed November 15, 1966

O P I N I O N

This is an application for an order of the Commission authorizing Antelope Valley Water Co. to acquire all of the outstanding capital stock, both common and preferred, of Rancho Green Valley Water Company, and for an order authorizing Rancho Green Valley Water Company to issue a \$20,308 unsecured note.

Antelope Valley Water Co. is a California corporation engaged in the public utility business of producing, distributing and supplying water in certain areas of the Counties of Kern and Los Angeles. All of its outstanding capital stock is presently held by Dominguez Water Corporation.

Rancho Green Valley Water Company is a California corporation engaged in the public utility water business in a portion of Los Angeles County. According to the application all of its outstanding capital stock is held by William R. Glore.

In the present application, Antelope Valley Water Co. proposes to acquire all of the outstanding capital stock of Rancho Green Valley Water Company, consisting of 1,000 shares of \$10 par value common stock and 1,776 shares of \$10 par value preferred stock. The total purchase price for said stock is \$17,900.14, which amount is substantially below the aggregate book value of the shares.

Antelope Valley Water Co. alleges that the acquisition by it of the stock of Rancho Green Valley Water Company is in the public interest for the reason that the former can make available to the latter financial resources and a degree of managerial skill, continuity of personnel and a general level of experience and ability in the water utility industry which is not otherwise available to Rancho Green Valley Water Company.

In this application, the Commission is also requested to authorize Rancho Green Valley Water Company to issue an unsecured note in favor of William R. Gore. Inasmuch as Paragraph No. 17 of the Agreement for Purchase and Sale of Stock, attached to the application, provides for the complete discharge of all liability or obligation of Rancho Green Valley Water Company to William R. Gore at the closing, it does not appear that such note is necessary.

The Commission has considered this matter and finds that: (1) the proposed stock acquisition will not be adverse to the public interest and (2) authorization to issue an unsecured note is not required under the circumstances described in the application. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be (a) dismissed with respect to the proposed note issue and (b) granted in all other respects.

ORDER

IT IS ORDERED that:

1. Antelope Valley Water Co. may purchase, acquire, take and hold all of the outstanding common and preferred stock of Rancho Green Valley Water Company in the manner and upon the terms and conditions set forth in the Agreement for Purchase and Sale of Stock, a copy of which is attached to the application as Exhibit No. 3.

2. This application, insofar as it concerns the issuance of an unsecured note, is dismissed.

3. The effective date of this order is the date hereof.

Dated at San Francisco, California,
this 13th day of DECEMBER, 1966.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners