

ORIGINAL

Decision No. 71935

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of ANTELOPE VALLEY WATER CO. for)
authorization (1) to merge its)
wholly-owned subsidiary,)
Inyokern Water Company with this)
corporation, and (2) to enter)
into and undertake the public)
utility operations and assume)
the obligations of said)
subsidiary,)
))
and the Application of)
))
INYOKERN WATER COMPANY to merge)
with Antelope Valley Water Co.)
and to be relieved of its public)
utility obligations.)
_____)

Application No. 49064
Filed December 29, 1966

O P I N I O N

This is an application for an order of the Commission authorizing Inyokern Water Company to merge with and into Antelope Valley Water Co.

Antelope Valley Water Co., a California corporation, is engaged in the public utility business of producing, distributing and supplying water in certain areas of the Counties of Kern and Los Angeles. Dominguez Water Corporation holds all of its outstanding capital stock pursuant to authority granted by Decision No. 69516, dated August 10, 1965, in Application No. 47756.

Inyokern Water Company, a California corporation, is also engaged in the public utility business of producing, distributing and supplying water. Its service area is in Kern County near an area served by Antelope Valley Water Co. All of its stock is held by Antelope Valley Water Co. pursuant to authority granted by Decision No. 70392, dated March 1, 1966, in Application No. 48238.

In the present application, authorization is sought to merge Inyokern Water Company with and into Antelope Valley Water Co., and the latter will then undertake the public utility obligations of the former.

Applicants allege that the proposed merger would be in the best interests of the public and of the stockholders of both corporations, and that the proximity of the service areas affords an opportunity for operational integration and planning, and for the elimination of accounting and record-keeping functions.

The Commission has considered this matter and finds that the proposed merger will not be adverse to the public interest. On the basis of this finding we conclude that the application should be granted. A public hearing is not necessary.

The authorization herein granted is for the purpose of this proceeding only and is not to be construed as a finding of the value of the properties to be merged nor as indicative of amounts to be included in proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Inyokern Water Company may merge with and into Antelope Valley Water Co., the latter to be the surviving corporation. For accounting purposes the merger may be effective December 31, 1966.

2. Antelope Valley Water Co., as the surviving corporation, may assume all of the liabilities and shall undertake the public utility obligations of Inyokern Water Company.

3. Within five days after consummation of the merger herein authorized, Antelope Valley Water Co. shall file with the Commission a notice of adoption of the presently filed tariff schedules of Inyokern Water Company.

4. The tariff schedules of Inyokern Water Company now on file with the Commission shall be refiled within thirty days after consummation of the merger under the name of Antelope Valley Water Co., in accordance with the requirements of General Order No. 96-A, except that Antelope Valley Water Co. may withdraw such rules and standard forms of Inyokern Water Company as are substantially identical with those of Antelope Valley Water Co. and the withdrawal of which will not result in increases in rates or more restrictive conditions than the presently filed tariffs of Inyokern Water Company.

5. Within sixty days after consummation of such merger, Antelope Valley Water Co. shall file with the Commission a copy of each journal entry used to record the merger on its books of accounts.

6. On or before the end of the third month after consummation of the merger herein authorized, Antelope Valley Water Co. shall cause to be filed with the Commission, in such form as the Commission may prescribe, an annual report, or reports, related to the operations of Inyokern Water Company. In the event such merger for accounting purposes is effected after December 31, 1966, Antelope Valley Water Co. shall cause separate annual reports to be filed for the year 1966 and for the period commencing with the first day of the current year to and including the effective date of the merger for accounting purposes.

7. The effective date of this order is the date hereof. Any authority herein granted and not exercised will expire on June 30, 1967.

Dated at San Francisco, California,
this 31st day of JANUARY, 1967.

[Signature]
President
[Signature]
[Signature]
[Signature]
Commissioners