

ORIGINAL

Decision No. 72377

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,)
Rancho Green Valley Water)
Company with this corporation,)
and (2) to enter into and)
undertake the public utility)
operations and assume the)
obligations of said subsidiary.)

Application No. 49266
Filed April 6, 1967

and the Application of)
)
RANCHO GREEN VALLEY WATER)
COMPANY to merge with)
Antelope Valley Water Co.)
and to be relieved of its)
public utility obligations.)

O P I N I O N

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

Antelope Valley Water Co., a California corporation, is engaged in the public utility water business 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.

Rancho Green Valley Water Company is a California corporation engaged in the public utility water business in a portion of Los Angeles 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. 71685, dated December 13, 1966, in Application No. 48958.

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

Based on financial statements attached to the application, applicants' assets and liabilities as of December 31, 1966, together with adjustments and the pro forma balance sheet giving effect to the proposed merger, are summarized as follows:

	<u>Antelope Valley Water Co.</u>	<u>Rancho Green Valley Water Company</u>	<u>Adjustments Dr. or (Cr.)</u>	<u>Pro Forma</u>
<u>Assets</u>				
Net utility plant	\$589,666	\$40,383	\$	\$630,049
Investments in, and receivables from, Rancho Green Valley Water Company	32,696		(32,696)	
Other assets	<u>22,386</u>	<u>3,842</u>		<u>26,228</u>
Total	<u>\$644,748</u>	<u>\$44,225</u>	<u>\$(32,696)</u>	<u>\$656,277</u>
<u>Liabilities</u>				
Capital stock and surplus	\$399,608	\$24,591	\$17,900	\$406,299
Advances from associated companies	115,500		(1,116)	116,616
Construction advances and contributions	121,882	2,876		124,758
Other liabilities	<u>7,758</u>	<u>16,758</u>	<u>15,912</u>	<u>8,604</u>
Total	<u>\$644,748</u>	<u>\$44,225</u>	<u>\$32,696</u>	<u>\$656,277</u>

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. Rancho Green Valley 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 as of 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 Rancho Green Valley 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 Rancho Green Valley Water Company.

4. The tariff schedules of Rancho Green Valley 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 Rancho Green Valley 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 Rancho Green Valley 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 account.

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

Dated at San Francisco, California,
this 2nd day of MAY, 1967.

[Signature]
President

[Signature]

[Signature]

[Signature]
Commissioners

Commissioner A. W. Gatov, being
necessarily absent, did not participate
in the disposition of this proceeding.