

Decision No. 76945

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
WASHINGTON WATER AND LIGHT COMPANY)
for authorization to acquire all of)
the stock of Port Water Company and) Application No. 51709
of PORT WATER COMPANY to merge with) Filed February 16, 1970
WASHINGTON WATER AND LIGHT COMPANY.)
)

O P I N I O N

Washington Water and Light Company requests an order of the Commission authorizing it to acquire all the outstanding capital stock of Port Water Company, which latter corporation seeks authority to merge with its proposed parent corporation.

Applicants are California corporations engaged in rendering water service in portions of Yolo County. Each is a wholly owned subsidiary of Citizens Utilities Company, a Delaware corporation.

Washington Water and Light Company proposes to acquire 100% of the issued and outstanding stock of Port Water Company as a capital contribution from Citizens Utilities Company. Thereafter, Port Water Company would merge into Washington Water and Light Company, and the latter would assume all the obligations of the former.

The reported assets and liabilities as of November 30, 1969, for Washington Water and Light Company and Port Water Company, together with adjustments and a pro forma balance sheet, giving effect to the proposed transactions, are summarized from Exhibit A, attached to the application, as follows:

	<u>Washington Water and Light Company</u>	<u>Port Water Company</u>	<u>Adjustments</u>	<u>Pro Forma</u>
<u>Assets</u>				
Utility plant less depreciation reserve	\$1,507,643	\$38,621		\$1,546,264
Current and accrued assets	59,431	1,878		61,309
Deferred debits	<u>8,685</u>	<u> </u>		<u>8,685</u>
Total	<u>\$1,575,759</u>	<u>\$40,499</u>		<u>\$1,616,258</u>
<u>Liabilities</u>				
Common capital stock	\$ 72,000	\$14,000	\$(14,000)	\$ 72,000
Capital surplus	114,113		14,000	128,113
Earned surplus	274,942	24,849		299,791
Advances from associated companies	240,795	(4,854)		235,941
Mortgage notes	368,375			368,375
Current and accrued liabilities	95,134	4,842		99,976
Advances for construction	391,538			391,538
Other deferred credits		1,662		1,662
Reserve for uncollectible accounts	700			700
Contributions in aid of construction	<u>18,112</u>	<u> </u>	<u> </u>	<u>18,112</u>
Total	<u>\$1,575,759</u>	<u>\$40,499</u>	<u> </u>	<u>\$1,616,258</u>

The application shows that Washington Water and Light Company would continue to maintain revenue, production and continuous property records for the distinct area now served by Port Water Company. Moreover, operating expense records would be kept in such manner as to allow identification of costs in relation to said distinct area.

Applicants indicate that the combination of the two corporations will result in economies of operation for purposes of financing, record-keeping, technical assistance and personnel administration.

After consideration the Commission finds that the proposed transactions would 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. Washington Water and Light Company may acquire, as a capital contribution, all of the issued and outstanding stock of Port Water Company.

2. Port Water Company may merge with Washington Water and Light Company.

3. Washington Water and Light Company, as the surviving corporation, may assume the liabilities, and shall fulfill the public utility obligations, of Port Water Company.

4. Within thirty days after consummation of the merger herein authorized, Washington Water and Light Company shall file with the Commission a certified copy of the Certificate of Ownership as filed with the Secretary of State.

5. Not less than five days before the date of actual merger, Washington Water and Light Company shall file with the Commission, by advice letter, a notice of adoption of the presently filed tariff schedules of Port Water Company. The effective date of the notice of adoption shall be concurrent with the date of actual merger.

6. The tariff schedules of Port Water Company now on file with the Commission shall be refiled within thirty days after the effective date of the merger under the name of Washington

Water and Light Company, in accordance with the requirements of General Order No. 96-A, except that Washington Water and Light Company may withdraw such rules and standard forms of Port Water Company as are substantially identical with those of Washington Water and Light Company, and the withdrawal of which will not result in increases in rates or more restrictive conditions than the presently filed tariffs of Port Water Company.

7. Within sixty days after the consummation of the merger herein authorized, Washington Water and Light Company shall file with the Commission a copy of each journal entry used to record the merger on its books of account.

8. On or before the end of the third month after the consummation of the merger as herein authorized, Washington Water and Light Company shall cause to be filed with the Commission, in such form as it may prescribe, an annual report covering the operations of Port Water Company for the period commencing with the first day of the current year to and including the effective date of the merger.

9. The effective date of this order is the date hereof.
Unless exercised, the authority herein granted will expire on
December 31, 1970.

Dated at San Francisco, California,
this 17th day of MARCH, 1970.

William J. Parsons, Jr.
President
Augustine
J. H. Harrison
Thomas A. Harrison
Vermon L. Sturgeon
Commissioners