

Decision No. 81890**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)

SOLEMINT WATER COMPANY, a corporation)
and BOUQUET CANYON WATER CO., a)
corporation,)Application No. 54270
(Filed August 27, 1973)for an order authorizing (1) the)
merger of Bouquet Canyon Water Co.)
into Solemint Water Company, and)
(2) the exchange by Solemint Water)
Company of certificates representing)
3000 shares of its capital stock for)
certificates representing all of the)
outstanding shares of capital stock)
of Bouquet Canyon Water Co.)

O P I N I O N

Solemint Water Company and Bouquet Canyon Water Co. seek authority to merge, and the former, as the surviving corporation under its proposed new name of Santa Clarita Water Company, seeks authority to issue certificates representing 3,000 shares of its no par value capital stock in exchange for certificates representing all of the outstanding shares of capital stock of Bouquet Canyon Water Co.

Solemint Water Company and Bouquet Canyon Water Co. are California corporations engaged in the business of operating water systems in Los Angeles County. Both companies are owned by the same family interests, they share the same office and the water systems are interconnected.

Pursuant to an Agreement of Merger, a copy of which is attached to the application, Bouquet Canyon Water Co. proposes to merge into Solemint Water Company and the name of the surviving corporation would be changed to Santa Clarita Water Company.

The 10,900 outstanding no par value shares of capital stock of Bouquet Canyon Water Co. would be converted into 3,000 shares of no par value capital stock of the surviving corporation.

The balance sheet as of June 30, 1973, reflecting the proposed merger, as summarized from Exhibit D attached to the application, is as follows:

Assets

Net utility plant	\$4,445,833
Current assets	261,787
Other assets	<u>37,848</u>
Total	<u>\$4,745,468</u>

Liabilities

Capital stock	\$ 169,000
Capital surplus	584,144
Retained earnings	593,831
Current and accrued liabilities	464,404
Notes and contracts payable	358,514
Loans from stockholders	69,000
Advances for construction	1,787,937
Contributions in aid of construction	<u>718,638</u>
Total	<u>\$4,745,468</u>

The surviving corporation proposes to issue certificates representing 3,000 shares of its no par value capital stock to the shareholders of Bouquet Canyon Water Co., resulting from the conversion of shares of the latter corporation into shares of the surviving corporation.

After consideration the Commission finds that:

1. The proposed merger would not be adverse to the public interest.
2. The proposed issue of stock certificates would be for a proper purpose.
3. The money, property or labor to be procured or paid for by the issue of the stock certificates herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. The authorization herein granted is not to be construed as a finding of the value of applicants' stock or properties, 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. Bouquet Canyon Water Co. may merge into Solemint Water Company substantially in accordance with the terms and provisions of an Agreement of Merger, a copy of which is attached to the application. The merger may be made effective as of September 1, 1973 for accounting purposes.

2. Solemint Water Company, under its new name of Santa Clarita Water Company, may issue certificates representing 3,000 shares of its no par value capital stock in exchange for certificates representing 10,900 shares of no par value capital stock of Bouquet Canyon Water Co.

3. Solemint Water Company, under its new name of Santa Clarita Water Company, shall file with the Commission the report required by General Order No. 24-B, which order, insofar as applicable, is hereby made a part of this order.

4. Within thirty days after consummating the merger herein authorized, Solemint Water Company, under its new name of Santa Clarita Water Company, shall notify the Commission, in writing, of that fact.

5. Not less than five days before the date of actual merger, Solemint Water Company, under its new name of Santa Clarita Water Company, shall file with the Commission, by advice letter, a notice of adoption of the tariff schedules then in effect of Bouquet Canyon Water Co. The effective date of the notice of adoption shall be concurrent with the date of actual merger.


6. Within sixty days after the effective date of the merger herein authorized and in accordance with the requirements of General Order No. 96-A, Solemint Water Company, under its new name of Santa Clarita Water Company, as part of its tariffs, shall refile the tariff maps and rate schedules applicable to the area served by Bouquet Canyon Water Co., and the rules and standard forms of the companies to be merged may be standardized to the extent that they do not result in increases in rates or more restrictive conditions than those then in effect.

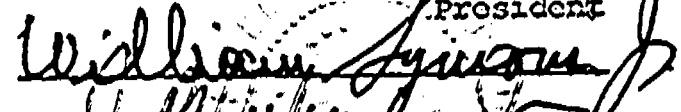
7. Within sixty days after the consummation of the merger herein authorized, Solemint Water Company, under its new name of Santa Clarita Water Company, shall file with the Commission a copy of each journal entry used to record the merger on its books of account.


8. On or before the end of the third month after the consummation of the merger herein authorized, Solemint Water Company, under its new name of Santa Clarita Water Company, shall cause to be filed with the Commission, in such form as it may prescribe, an annual report covering the operations of Bouquet Canyon Water Co. for the period commencing with the first day of the current year to and including the effective date of the merger.

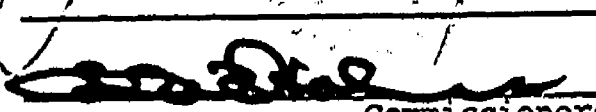
The effective date of this order is the date hereof.

Dated at San Francisco, California, this 14th day of September, 1973.



President






Commissioners

Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.