

LSC

ORIGINAL

Decision No. 82006

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint
Application

-of-

SIERRA-NEVADA WATER CO., a
California Corporation, and the
TAHOE CITY PUBLIC UTILITY
DISTRICT, a body politic, for
an Order Approving the
Shareholders' Sale and Transfer
of all of their capital stock
to DISTRICT, and authorizing
DISTRICT to dissolve the
Corporation and to distribute
all corporate assets to the
DISTRICT.

Application No. 54330
(Filed September 18, 1973)

O P I N I O N

Sierra-Nevada Water Co. requests an order authorizing its shareholders to sell, transfer and convey all of the company's capital stock to Tahoe City Public Utility District, which district requests authority, upon acquisition of all of said stock, to dissolve Sierra-Nevada Water Co. and to distribute all of the corporate assets to itself.

Sierra-Nevada Water Co. is a California corporation owning and operating a public utility water system furnishing water for domestic purposes within its service area located near Lake Tahoe in Placer County. The application shows that said service area lies within the exterior boundaries of the Tahoe City Public Utility District, a political subdivision of the State of California.

Section 25 of Article XIII of the Constitution of the State of California provides that, with the exception of irrigation districts under certain circumstances, the Legislature shall have no power to authorize the State, or any political subdivision thereof, to subscribe for stock or to become a stockholder in any corporation whatever. Section 42 of said Article XIII prohibits the State in any manner from subscribing to, or being interested in, the stock of any company, association, or corporation, except that the State and each political subdivision, district, municipality, and public agency thereof may acquire and hold shares of the capital stock of any mutual water company or corporation under certain circumstances.

After consideration the Commission finds that:

1. Tahoe City Public Utility District is a political subdivision of the State of California and not an irrigation district within the meaning of Section 25 of Article XIII of the Constitution thereof.
2. Sierra-Nevada Water Co. is a public utility water corporation subject to the jurisdiction of this Commission.
3. Sierra-Nevada Water Co. is not a mutual water company or corporation within the meaning of Section 42 of Article XIII of the Constitution of the State of California.

On the basis of the foregoing findings we conclude that the application should be dismissed without prejudice to the filing of an application seeking authority for Sierra-Nevada Water Co. to transfer its water system to Tahoe City Public Utility District.

O R D E R

IT IS ORDERED that Application No. 54330 is hereby dismissed without prejudice.

The effective date of this order is the date hereof.

Dated at Los Angeles, California, this 16th day of October, 1973.

Vernon L. Stinson
President
William J. Sussman

[Signature]

Commissioners

Commissioner J. P. Vukasin, Jr., being necessarily absent, did not participate in the disposition of this proceeding.

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