

Decision 93633 OCT 20 1981

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of County Water Company, Inc., a California corporation, and Plunkett Water Company and Community Water Service for an order authorizing and approving merger of Plunkett Water Company and Community Water Service into County Water Company, Inc. (Public Utilities Code Sections 851, et seq.)

Application 60439
(Filed April 10, 1981)

O P I N I O N

County Water Company (County) was authorized to purchase the water system assets of D. R. Plunkett, doing business as Plunkett Water Company (Plunkett), by Decision (D.) 90839 dated September 25, 1979 in Application (A.) 58780. The authorization was conditioned upon County's agreement to operate the Plunkett system and to charge the rates contained in Plunkett's tariffs.

In A.56262 Harold J. Eck, doing business as Community Water Service (Community), sought authority to sell the portion of its system within the City of Paramount (Paramount) to Paramount. In A.56278 Community sought authority to sell the remaining portion of its system located in the City of Bellflower to County. D.86297 dated August 24, 1976 authorized the transfer of those systems. The County acquisition was conditioned upon its assumption of Community's public utility obligations within Bellflower and its adoption of Community's Bellflower rates.

County has acquired and operated the Plunkett and Community systems. In this proceeding, the three utilities seek ex parte authorization under Public Utilities Code Section 851 to merge Plunkett and Community with and into County, resulting in only one entity where there are now three.

County alleges that:

- a. The three entities are operating out of the same office;
- b. Parallel services for the three systems are being provided by the same company personnel;
- c. The service areas are in the same general area;
- d. Legal and accounting services for the three systems are being provided by the same people;
- e. A merger would permit the filing of one annual report with the Commission and would simplify County's dealings with the Commission, which would result in operating economies; and
- f. The merger would not affect either existing service or rates to any customer.

By letter dated April 10, 1981, the City of Paramount (Paramount) stated:

"The City of Paramount protests the merger of Community Water Service and Plunkett Water Company in so far as it effects services within the City of Paramount.

"The City of Paramount has undertaken a program to consolidate the diverse small, private water systems within our community in order to provide an up-to-date, modern water system capable of meeting the needs of our industrial and residential customers. We are continuing that acquisition program and protest this merger on the grounds that we wish to acquire the portion of the water systems under discussion which serves the City of Paramount."

Administrative Law Judge Levander advised the office of the city manager of Paramount that its protest should comply, but it did not comply, with the provisions of the Commission's Rules of Practice and Procedure (Rules) governing protests (Article 2.5, Rules 8.1 to 8.8, inclusive). Paramount did not make any subsequent filing.

Discussion

The grounds for the merger set forth in the application are reasonable. However, final annual reports for Plunkett and Community will be required for the period prior to the merger.

Paramount has not indicated how the merger would affect its future ability to acquire any portion of the merged system within its boundaries. The only apparent impacts of the merger would be to reduce the total expenses incurred for record keeping and processing matters before the Commission by the three water companies, which in turn would reduce the Commission's workload. Those are desirable results. County seeks to consolidate control rather than to transfer control in the usual sense. Paramount has not filed a protest alleging sufficient grounds for a public hearing. The requested authorization will be granted.

Findings of Fact

1. County has acquired the water system and other assets of Plunkett and the Bellflower system of Community. County is operating those systems in conformity with D.90839 and D.86297.

2. The proposed merger of Plunkett and the Bellflower system of Community with and into County will reduce the total expenses incurred for record keeping and processing matters before the Commission by the three water companies, which in turn can reduce the Commission's workload.

3. Paramount has not indicated how the merger would affect its future ability to acquire any portion of the merged system within its boundaries.

4. There is no need for a public hearing.

Conclusions of Law

1. Paramount has not met the requirements of Article 2.5 of the Commission's Rules governing protests.

2. The authorization should be granted subject to the conditions set forth in the ordering paragraphs that follow.

O R D E R

IT IS ORDERED that:

1. County Water Company, Inc. (County) is authorized to merge Plunkett Water Company (Plunkett) and Community Water Service (Community) with and into County.

2. County shall continue to meet the public utility obligations it has assumed under the authorities granted by D.86297 and D.90839.

3. County shall file notices of the effective dates of the mergers with the Commission within 10 days after they have been completed.

4. County shall file final annual reports for Plunkett and for Community from January 1, 1981 to the merger dates.

This order becomes effective 30 days from today.

Dated OCT 20 1981, at San Francisco, California.

JOHN E. BRYSON
President
RICHARD D GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C GREW
Commissioners

*I certify that this decision was
approved by the above Commissioners
today.*
