By its Articles applicant is authorized to issue 2,500 shares of stock without par value.

Applicant proposes to construct, extend, acquire, and operate public utility water systems in three separate areas, designated as Areas A, B, and C in a Commission staff engineering report, Exhibit No. 12, on applicant's operations for the years 1957, 1958, and 1959, estimated.

Description of Proposed Area A

Applicant's proposed Area A comprises all of Section 18, including the present service area of Antelope Mutual Water Company and Taylor Mutual Water Company, all of Section 18, and the NW 1/4 of Sec. 18, T. 6 N., R. 15 W., S.B.M. & M., totaling 1,360 acres of gently sloping land approximately 4 miles southwest of the town of Lancaster in unincorporated territory, Los Angeles County.

Exhibit "C" is a contract between Taylor Mutual Water Company and William H. Taylor, an individual, executed in July, 1956, which provides for the transfer of water system properties and rights pertaining thereto to Taylor, the individual.

Exhibit "D" attached to the application is a contract between Antelope Mutual Water Company and William H. Taylor, an individual, executed in July, 1956, which, likewise, provides for the transfer of water system properties and rights pertaining thereto to said Taylor or applicant.

The consideration in each of said contracts, Exhibits "C" and "D", is the furnishing of water service to the present consumers of the mutuals by Taylor, the individual, or by a corporation to be formed by him.

Taylor Mutual has six consumers, and Antelope Mutual has about 10 consumers.