

Decision No. 12938

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application)
of CENTRAL NATURAL GAS COMPANY to)
sell and WESTERN STATES GAS AND)
ELECTRIC COMPANY to buy certain)
gas wells and a certain distri-)
bution system and business in the)
City of Stockton.)

Application)
Number)
9411)

ORIGINAL

Nutter, Hancock and Rutherford;
Chickering and Gregory, by Evan
Williams, for applicants.

MARTIN, Commissioner :

O P I N I O N

CENTRAL NATURAL GAS COMPANY asks permission to sell for \$85,000.00 its properties described in Exhibit No. 3 to Western States Gas and Electric Company which joins in the application and which asks permission to purchase said properties.

The properties consist of real estate, a gas well, mains, services and meters. The real estate is described as follows :-

"South one half of lots 9 and 11 and a portion of Lot 7, Block 74, east of Center Street; and Lot 5, Block 71, east of Center Street."

The present value of the real estate is submitted at \$34,000.00. The historical cost of the well which is 2800 feet in depth is reported at \$36,030.00. The historical cost of the meters is reported at \$4,375.61, of the services at \$2,832.42 and of the mains at \$8,687.97, making a total estimated historical cost for all the properties, plus the present value of the real estate, of \$85,925.00.

The Central Natural Gas Company was organized in 1889.

Since then it has been engaged in the business of producing natural

gas from wells owned by it in the City of Stockton and distributing natural gas in a small portion of the city bounded on the north by Oak Street, on the east by Grant Street, on the south by Miner Avenue and on the west by El Dorado Street. The company serves about 430 consumers. Its present well produces about 40,000 cu. ft. per day. For a period of years past the company has made no extensions. Even though no extensions have been made, the company at present finds it difficult to supply to its consumers during peak hours a sufficient quantity of gas. This situation has come about because formerly applicant's consumers used gas primarily for cooking purposes only, while now some of the company's consumers use gas for heating purposes as well.

The service given by the Central Natural Gas Company has not been entirely satisfactory because of lack of pressure, lack of storage capacity and the inability to repair promptly defective meters or leaking mains. Surplus gas that collects during the night is sold to the Western States Gas and Electric Company. During the peak hours the Central Natural Gas Company finds it necessary to purchase gas from the Western States Gas and Electric Company. It is also dependent upon the Western States Gas and Electric Company to repair meters and look after other maintenance work. In fact, without the assistance of the Western States Gas and Electric Company the Central Natural Gas Company could not operate.

The record shows that upon the acquisition of the properties by the Western States Gas and Electric Company that company will render to the consumers now connected with the mains of the Central Natural Gas Company the same quality of service which it renders elsewhere in Stockton. It intends to put into effect its present rates, or such rates as may hereafter be fixed by the Commission.

I believe that the transfer of the properties of the Central Natural Gas Company to the Western States Gas and Electric

Company will be beneficial to the public and herewith submit the following form of order :-

ORDER

CENTRAL NATURAL GAS COMPANY having applied to the Railroad Commission for permission to sell its properties to the Western States Gas and Electric Company described in Exhibit No. 3 and Western States Gas and Electric Company having asked permission to purchase such properties, a public hearing having been held and the Commission being of the opinion that this application should be granted as herein provided,

IT IS HEREBY ORDERED that CENTRAL NATURAL GAS COMPANY be, and it is hereby, authorized to sell to the Western States Gas and Electric Company for the sum of \$85,000.00 the properties described in Exhibit No. 3 filed in this proceeding. The Western States Gas and Electric Company is hereby permitted to purchase such properties. The authority herein granted is subject to the following conditions:-

1. Western States Gas and Electric Company shall file with the Railroad Commission a copy of the deed under which it acquires title to the properties which it is herein authorized to purchase.
2. The consideration being paid for the properties of the Central Natural Gas Company shall not be urged as a measure of the value of the properties for any purpose other than the transfer herein authorized.
3. The authority herein granted will become effective upon the date hereof and will expire on April 1, 1924.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of

the State of California.

DATED at San Francisco, California, this 17th day of
December, 1923.

C. Chauncy
H. B. Benedict
Erving Martin

Commissioners.