

LBM

Decision No. 91253.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTH COAST GAS COMPANY,)
a corporation, to sell, and of)
Southern California Gas Company, a)
corporation, to buy certain public)
utility properties in the County of)
Riverside, State of California, and)
for the approval of a certain con-)
tract entered into between South)
Coast Gas Company and Southern Cal-)
ifornia Gas Company, dated June 10,)
1929.)

Application No. 15713

ORIGINAL

Paul Overton and W. C. Kennedy,
for South Coast Gas Company;

T. J. Reynolds and L. T. Rice,
for Southern California Gas Company.

BY THE COMMISSION:

OPINION

In this proceeding the Railroad Commission is asked to enter its order approving the agreement entered into between South Coast Gas Company and Southern California Gas Company, filed in this proceeding as Exhibit "A"; and authorizing the South Coast Gas Company to sell the properties described in this application and in said Exhibit "A" to the Southern California Gas Company, and determine that public convenience and necessity requires the exercise by Southern California Gas Company of the franchises to be conveyed to it by the South Coast Gas Company.

The properties, the sale of which the Commission is to authorize in this proceeding, are the properties known as the "Elsinore Gas Works". A description of the properties is contained in Exhibit "A".

The Railroad Commission by Decision No. 21085, dated May 13, 1929 in Application No. 15450, authorized Samuel H. Gunder, Agnes Gunder and Thomas T. Porteous to sell to South Coast Gas Company, the gas works and distributing system referred to in such decision as "The Elsinore Gas Works". In that decision the Commission authorized the South Coast Gas Company to issue and sell at not less than par, \$73,800.00 of its common capital stock, and use the proceeds obtained from the sale of such stock to pay for the properties known as the "Elsinore Gas Works" and expenses incident to the acquisition of such properties. The Commission in its decision ordered, that the South Coast Gas Company upon the acquisition of said properties may charge to its fixed capital accounts not exceeding \$80,141.01, and that the difference between said \$73,800.00 par value of the stock and the amount which it had agreed to pay for the properties of "The Elsinore Gas Works", plus the expenses incident thereto, must be charged to Account 508, "Miscellaneous debits to profit and loss" or written off by charging premium on capital stock, in the event the stock is sold at a premium.

In Decision No. 21085, the Commission calls attention to the fact that by Decision No. 14096, dated September 27, 1924, it certified and declared that public convenience and necessity required the exercise by Samuel H. Gunder, doing business under the firm name of "The Elsinore Gas Works", of the rights and privileges granted under Ordinance No. 149 of the City of Elsinore, and that therefore it did not seem necessary to again make a similar finding, so far as Ordinance No. 149 was concerned.

In said Decision No. 21085, the Commission found and declared that public convenience and necessity required the exercise by

Thomas T. Porteous, his successors or assigns, of the rights and privileges granted under Ordinance No. 179 of the Board of Supervisors of Riverside County, provided that said rights and privileges may be exercised only within one mile of the city limits of Elsinore.

In the proceeding now before the Commission, the Commission is asked to determine that public convenience and necessity requires the exercise by Southern California Gas Company of the franchises to be conveyed to it by South Coast Gas Company. Exhibit "A" shows that the franchises to be conveyed to the Southern California Gas Company are the franchises granted by the two ordinances to which reference has just been made.

It is of record that the South Coast Gas Company has acquired the properties known as "The Elsinore Gas Works", and that it has entered into an agreement to sell such properties to Southern California Gas Company for the sum of \$75,000.00. It appears that the properties to be sold and transferred are the same properties which the Commission authorized to be sold by Decision No. 21035. Among the properties are the franchises granted by Ordinance No. 149 of the City of Elsinore and Ordinance No. 179 of the Board of Supervisors of Riverside County. The sale and transfer of the properties, including these two franchises, we believe, carries with it the rights and privileges which the Commission has heretofore authorized the grantees of such franchises to exercise. It does not seem necessary that we again find that public convenience and necessity require the exercise of the rights and privileges granted by said ordinances. The order, however, will permit the Southern California Gas Company to operate under said ordinances.

O R D E R

South Coast Gas Company, having asked permission to sell the properties known as "The Elsinore Gas Works", to Southern California

Gas Company, and having asked the Commission to approve the agreement filed in this proceeding and marked "Exhibit A", the Commission having considered the request of applicants and being of the opinion that this is not a matter in which a public hearing is necessary, and that this application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED as follows:-

1. South Coast Gas Company may sell, convey and deliver on or before September 1, 1929, to Southern California Gas Company, the properties described in the agreement filed in this proceeding as "Exhibit A", which agreement is hereby approved, to the extent that the Commission has jurisdiction over the matters mentioned in said agreement.
2. Southern California Gas Company may acquire and operate the aforesaid properties and exercise the rights and privileges granted by Ordinance No. 149 of the City of Elsinore, and Ordinance No. 179 of the Board of Supervisors of Riverside County, subject to the limitations expressed in Decision No. 14096, dated September 27, 1924, and Decision No. 21085, dated May 13, 1929.
3. Southern California Gas Company upon the acquisition of the properties described in "Exhibit A" may, if such properties comprise the same properties as are described as "The Elsinore Gas Works" in Decision No. 21085 dated May 13, 1929, charge to its fixed capital accounts not exceeding \$80,141.01. If the Southern California Gas Company pays \$75,000.00 for the aforesaid properties, it must charge \$1,200.00 to Account No. 508, "Miscellaneous debits to profit and Loss."

4. Within thirty days after the acquisition of the properties herein referred to, the Southern California Gas Company shall file with the Railroad Commission a copy of the deed or other instrument of conveyance under which it acquired and holds title to such properties, and shall also advise the Commission of the date on which it acquired said properties.
5. The authority herein granted to transfer the aforesaid properties will become effective ten days after the date hereof.

DATED at San Francisco, California, this 18th day of
June, 1929.

Thomas D. Louder
C. C. Conway
Leon Whitely
W. J. Linn
Commissioners.