

Decision No. 23015

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
INLAND EMPIRE GAS COMPANY,)
a corporation, for a certificate of)
public convenience and necessity to)
furnish gas to El Centro, Imperial,)
Brawley, Heber and Calexico and in-)
tervening territory in Imperial)
County and for an order authorizing)
the issue and sale of its capital)
stock to finance such contemplated)
improvements.)

Application No. 12116

W. F. Williamson, Wallace and Vaughan,
for applicant.

BY THE COMMISSION:

SECOND SUPPLEMENTAL ORDER

The Commission by its order in Decision No. 15888, dated January 21, 1926, found and declared that public convenience and necessity require and will require Inland Empire Gas Company to construct, operate and maintain an artificial gas generating plant at El Centro and to construct, operate and maintain transmission and distribution lines to sell gas for domestic and commercial purposes to residents in El Centro, Imperial, Brawley, Heber, Calexico and Mexicali and intervening and adjacent territory.

Subsequent to said decision, the Inland Empire Gas Company constructed an artificial gas generating plant at El Centro and by means of such plant has been selling and distributing artificial gas in El Centro.

In a supplemental petition filed on June 4th in this

proceeding, the Inland Empire Gas Company asks the Commission to modify its order in Decision No. 15888 so as to permit applicant to construct liquefied natural gas plants in the communities of Imperial, Brawley, Heber and Calexico in lieu of the construction authorized by the order in Decision No. 15888.

At the hearing had on October 18th no one appeared to protest the granting of the supplemental petition. The evidence shows that the construction of liquefied natural gas plants at Calexico and Brawley, rather than serving these communities from a central plant at El Centro, will save the consumers over \$20,000.00 per annum. This saving is based on the following estimate (Exhibit No. 5):

	Oil Gas	Carburetted Gas Plants		
	El Centro	Brawley	Calexico	Total
Production Capital.....	\$100,000.	\$32,000.	\$35,000.	\$67,000.
High Press. Stge.....	60,000.	15,000.	15,000.	30,000.
Trans. Cap. Compress.....	12,000.	-	-	-
" " Pipe Lines.....	156,000.	-	-	-
Total Capital.....	\$328,000.	\$47,000.	\$50,000.	\$97,000.
Dep'n & Return 11%.....	36,080.	5,170.	5,500.	10,670.
Operating Exp.....	5,000.	1,200.	1,200.	2,400.
Maintenance.....	3,000.	500.	500.	1,000.
Cost of Oil or Butane.....	54,800.	28,200.	38,400.	66,600.
Sub Total.....	\$ 98,880.	\$35,070.	\$45,600.	\$80,670.
Taxes.....	10,880.	3,860.	5,020.	8,880.
Gross Revenue.....	\$109,760.	\$38,930.	\$50,620.	\$89,550.

The estimated revenue appearing in the foregoing statement is not based on any particular rates. The amount reported under gross revenue is simply the amount necessary to cover operating expenses, depreciation, taxes and a return on the investment. It has no relation to what the properties may actually earn.

While applicant has submitted estimates showing the cost of liquefied natural gas plants at Brawley and at Calexico, we are, in granting this supplemental petition, not approving such estimates.

The Commission has considered the evidence submitted

in support of the supplemental petition to which reference has been made and believes that such supplemental petition should be granted, therefore,

IT IS HEREBY ORDERED that the order in Decision No. 15888, dated January 21, 1926, be, and the same is, amended so as to permit Inland Empire Gas Company to construct liquefied natural gas plants in the communities of Imperial, Brawley, Heber and Calexico in lieu of the construction authorized by said order.

IT IS HEREBY FURTHER ORDERED that the order in Decision No. 15888, dated January 21, 1926, shall remain in full force and effect, except as modified by this Second Supplemental Order.

DATED at San Francisco, California, this 27th day of October, 1930.

Cl. Sawyer
Samuel D. ...
Leon ...
...

Commissioners.