

Decision No. \_\_\_\_\_

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

Decision No. 2517

In the matter of the application of SOUTHERN CALIFORNIA GAS COMPANY for an order authorizing the sale of certain properties.

ORIGINAL  
Application No. 1645.

Jared How for applicant.

THELEN, Commissioner.

O P I N I O N.

In this application, Southern California Gas Company asks for authority to sell to Midway Gas Company its natural gas compressor plant located near Taft, Kern County and its natural gas field gathering lines, located in Kern County. Applicant also asks for authority to assign to Midway Gas Company a contract effective January 1, 1914, between Honolulu Consolidated Oil Company and Southern California Gas Company and Midway Gas Company; also a contract effective January 1, 1914 between Southern Pacific Land Company, Kern Trading and Oil Company, Associated Oil Company, Southern California Gas Company and Midway Gas Company.

Applicant reports the cost of the property it desires to sell as follows:

Compressor Plant.....	\$438,996.38
Plant.....	\$407,111.27
Interest to April 1, 1915.....	31,885.11
Gathering Lines.....	153,944.17
Lines.....	141,844.32
Interest to April 1, 1915.....	12,099.85
Attorney fees to draw up contracts....	20,833.57

Automobile..... 1,000.00

Total.....\$614,774.12

Exhibits Z-2 and Z-3 filed in connection with Application No. 1644 and Exhibit B attached to the petition herein contain a description in general terms of the property to be sold by Southern California Gas Company as well as the cost of such property.

In payment for the property to be acquired from Southern California Gas Company, Midway Gas Company proposes to issue and deliver its First and Refunding Fifteen Year Six Per Cent Gold Bonds at 90 percent of face value, in the amount of \$684,000.00.

The properties which applicant proposes to sell and transfer to Midway Gas Company are subject to the lien of the First Mortgage of the Southern California Gas Company.

Before any order in this proceeding can become effective it is of course apparent that applicant should secure the release of these properties from the lien to which they are now subject. Such release contemplates that the First and Refunding Mortgage bonds of the Midway Gas Company delivered to Southern California Gas Company in payment for such properties shall be subject to the lien of the First Mortgage of Southern California Gas Company.

Reference is hereby made to the decision in Application No. 1644, Midway Gas Company, this day rendered, for a general description of the properties to be transferred to Midway Gas Company and the reasons for such transfer.

I submit the following form of Order:

O R D E R.

SOUTHERN CALIFORNIA GAS COMPANY having applied to the Railroad Commission for authority to sell and assign<sup>to</sup> Midway Gas Company its natural gas compressor plant located near Taft, Kern

County; its natural gas field gathering lines located in the Midway oil fields, Kern County; a contract effective January 1, 1914, between Honolulu Consolidated Oil Company, Southern California Gas Company, and Midway Gas Company, a copy of which was filed in connection with Application No. 1644 and marked Exhibit Number One, to which reference is hereby made; and a contract effective January 1, 1914, between Southern Pacific Land Company, Kern Trading and Oil Company, Associated Oil Company, Southern California Gas Company and Midway Gas Company, a copy of which was filed in connection with Application No. 1644 and marked Exhibit number two, to which reference is hereby made; and one automobile - all for and in consideration of the delivery by Midway Gas Company to Southern California Gas Company of \$684,000 face value of first and refunding mortgage fifteen year gold bonds of Midway Gas Company; and a public hearing having been held and the Commission being fully apprised in the premises and it appearing that public convenience and necessity will be served by the transfer of the properties hereinbefore described.

IT IS HEREBY ORDERED that Southern California Gas Company be and the same is hereby granted authority to sell to Midway Gas Company the following property:

- (a) Compressor station described in Exhibit Z-3, filed in connection with Application No. 1644.
- (b) The field gathering lines referred to in Exhibit Z-2, filed in connection with Application No. 1644.

IT IS HEREBY FURTHER ORDERED that Southern California Gas Company be and the same is hereby granted authority to assign to Midway Gas Company a contract effective January 1, 1914, between Honolulu Consolidated Oil Company, Southern California Gas Company and Midway Gas Company, said contract having been filed as Exhibit Number One in connection with Application No. 1644, to which reference is hereby made; also a contract effective January 1, 1914, between Southern Pacific Land Company, Kern Trading and Oil Company, Associated Oil

Company, Southern California Gas Company and Midway Gas Company, said contract having been filed as Exhibit Number Two in connection with Application No. 1644, to which reference is hereby made.

The foregoing authority is granted upon the following conditions and not otherwise:

- (1) The first and refunding mortgage bonds of Midway Gas Company of the face value of \$684,000, received in payment for properties herein authorized to be sold, shall be placed with a trustee subject to the lien of the first mortgage bonds of Southern California Gas Company.
- (2) Applicant shall file with this Commission a copy of the instrument releasing from the lien of its first mortgage the property to be sold and transferred to Midway Gas Company.
- (3) Applicant shall file with this Commission a copy of the instrument conveying the title to the properties herein authorized to be transferred to Midway Gas Company.
- (4) Applicant shall file with this Commission not later than thirty days after the transfer herein authorized shall have been made, a copy of the instrument by which the \$684,000 of Midway Gas Company bonds are made subject to the lien of applicant's first mortgage bonds.
- (5) The price at which the properties herein authorized to be transferred may be sold shall not be binding upon this Commission or other rate-fixing body for purposes of fixing the rates to be charged by Midway Gas Company or Southern California Gas Company, or for otherwise reaching a determination upon matters affecting Midway Gas Company or Southern California Gas Company.

(6) This order shall apply only to such sale or transfer as may have been effected on or before December 31, 1915.

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 25<sup>th</sup> day of June, 1915.

Max Thelen

Edwin W. Edgerton

Frank R. Fisher

Commissioners.