

Decision No. 8556

ORIGINAL

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of the IMPERIAL VALLEY GAS COMPANY,)
a corporation, for permission to) Application No. 6136.
shut down its plant and cease op-)
erating.)

BY THE COMMISSION:

ORDER

This is an application for permanent abandonment of service as a public utility gas company.

A public hearing was held thereon before Examiner Gordon at El Centro on the 12th day of November, 1920.

The evidence shows that the affairs of applicant, Imperial Valley Gas Company, a corporation, are in the hands of a receiver, and that by reason of a lack of funds to purchase necessary supplies, this utility ceased operations on or about August 15, 1920. The plant has been shut down continuously since that time. Efforts to raise funds by the sale of receiver's certificates in the communities of El Centro, Imperial and Holtville, formerly served by this utility, have been unsuccessful. Heretofore, on the 5th day of May, 1920, this utility applied to the Railroad Commission (Application No. 5653), for authorization to increase rates, or the alternative relief of authorization to abandon operations. In its decision upon this application the Commission, on June 2, 1920, denied authorization

to abandon, and granted an increase in rates which was expected to produce sufficient revenue for the company's needs. The evidence shows, however, that this increase in rates did not result in increased revenue, many of the consumers having discontinued their patronage.

The only conclusion to be reached from the evidence is that this utility, for some months prior to its discontinuance of service, was operating at a loss, and would necessarily continue to lose money on future operations unless large expenditures were made for renewals and changes in equipment. There is no possibility of requiring additional investment of capital in this enterprise to rehabilitate its affairs. The application, therefore, should be granted.

IT IS THEREFORE ORDERED, that applicant, IMPERIAL VALLEY GAS COMPANY, be, and it is hereby, authorized to permanently abandon service as a gas corporation, and that its properties at and in the vicinity of El Centro, California, be deemed withdrawn from public utility service.

Dated at San Francisco, California, this 17th day of January, 1921.

H. S. Loveland
Frank R. Dutton
H. B. Dunning

Commissioners.