

Decision No. 41506

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the joint Application of SOUTHERN CALIFORNIA EDISON COMPANY and SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA for an order authorizing the former to sell and convey to the latter a pipeline in conformity with an agreement of sale dated February 12, 1948.

ORIGINAL

Application No. 29145

Gail C. Larkin, Bruce Renwick and V. E. Koch,
by Bruce Renwick for the Southern California
Edison Company; LeRoy M. Edwards and Milford
Springer, by Milford Springer for the Southern
Counties Gas Company of California.

O P I N I O N

In this joint application the Public Utilities Commission is asked to make an order authorizing Southern California Edison Company, hereinafter referred to as Edison, to sell and convey to Southern Counties Gas Company of California, hereinafter referred to as Southern Counties, a 16-inch pipe line utilized to supply natural gas to Edison's Long Beach Steam Electric Generating Plant.

A public hearing on this application was held by Commissioner Huls and Examiner Crenshaw in Los Angeles on March 26, 1948, at which no opposition to the granting of the requested authority was manifested.

Prior to the summer of 1947, Edison was receiving gas service from Southern Counties and from other sources through five 8-inch pipe lines owned by Edison and crossing Cerritos Channel. From Cerritos Channel the gas was delivered to the Long Beach plant through a 20-inch line owned by Southern Counties. In the summer of 1947 Edison installed a 16-inch line across the channel to provide an alternate route in the event of a failure of any or all of the five 8-inch line

crossings. Edison now proposes to sell the 16-inch line crossing the channel, together with three 16-inch valves with such rights and privileges as Edison may have under franchises, easements, permits and licenses for the maintenance and operation of this particular pipe line.

Southern Counties desires to purchase the line in order to obtain greater capacity and flexibility in the operation of its transmission pipe line system and to permit service of natural gas to Edison's steam plant through facilities entirely owned and controlled by Southern Counties. In addition to supplying Edison steam plant during periods of excess supply, the ownership of the line will permit Southern Counties, during times of very high firm peak loads on its system when service to Edison is curtailed, to deliver emergency gas from the Wilmington field on Terminal Island to the mainland. The record shows that this emergency gas in the amount of approximately ten million cubic feet per day cannot be handled because of insufficient line capacity by the present 6-inch crossing normally used for mainland deliveries from this field. It is Southern Counties' opinion that these advantages to its pipe line operations justify the purchase of the 16-inch line from Edison for the sum of \$55,800.

Natural gas service is rendered by Southern Counties to Edison in accordance with the terms of a contract dated November 10, 1947 and authorized by this Commission's Decision No. 41018.

From the testimony introduced by both Edison and Southern Counties it appears that the service to the public will not be affected adversely by the proposed transfer of properties and that the application accordingly should be granted subject to the provisions of the order herein.

O R D E R

A public hearing on the joint application of Southern California Edison Company and Southern Counties Gas Company of California having been held, the matter having been submitted, and it

appearing to the Commission that the application should be granted as herein provided,

IT IS HEREBY ORDERED that Southern California Edison Company after the effective date hereof, and on or before August 11, 1948, is authorized to sell and convey that certain gas pipe line referred to herein, and to transfer and assign such rights and privileges as it may have under franchises, easements, permits and licenses in so far as they relate to the maintenance and operation of said pipe line, and Southern Counties Gas Company of California is authorized to purchase and acquire the same for the price and on the terms and conditions set forth in the agreement dated February 12, 1948, filed in this proceeding as Exhibit 2, which agreement said companies may consummate in accordance with its terms.

IT IS HEREBY FURTHER ORDERED that Southern Counties Gas Company of California, within six (6) months after acquiring said pipe line, shall file with the Commission a copy of each of its proposed book entries to record on its books the purchase of said properties and the distribution of such cost to primary or other accounts.

IT IS HEREBY FURTHER ORDERED that Southern California Edison Company, within six (6) months after the transfer of the properties referred to herein, shall file with the Commission a copy of its proposed book entries to record on its books such transfer of properties.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

IT IS HEREBY FURTHER ORDERED that the effective date of this order shall be twenty (20) days from and after the date hereof.

A-29145
HS

Dated at San Francisco, California, this 27th
day of April, 1948.

R. E. [unclear]
Justin J. [unclear]
Walter [unclear]
Harold [unclear]
Kenneth [unclear]
Commissioners