

Decision No. 45347

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application by
SOUTHERN CALIFORNIA GAS COMPANY for
authorization to sell and an appli-
cation by the CITY OF LONG BEACH to
buy certain gas distribution facili-
ties in the City of Long Beach under
Section 51(a) of the Public Utilities
Act.

Application No. 31972

L. T. Rice, for Southern California Gas
Company; Dewey L. Strickler, Deputy City
Attorney, for City of Long Beach.

O P I N I O N

In the above application Southern California Gas Company and the City of Long Beach request an order of this Commission authorizing Southern California Gas Company to sell to the City of Long Beach certain of its distribution facilities now located in the City of Long Beach, in accordance with Section 51(a) of the Public Utilities Act. A detail of the facilities to be purchased is set forth in an agreement dated October 26, 1950, attached to and made a part of the application as Exhibit A.

A public hearing on this application was held by Commissioner Huls and Examiner Crenshaw in Los Angeles on February 1, 1951, at which no opposition to the granting of the requested authority was manifested.

The properties which the Southern California Gas Company proposes to sell to the City of Long Beach are certain distribution facilities now installed on 223d Street between Hesperian Avenue and the Los Angeles & Salt Lake Railway crossing of 223d Street, and also the facilities on Cameron Street, Lincoln Street, and Arlington Street, west of Hesperian Avenue to the Los Angeles & Salt Lake Railway tracks.

The distribution facilities installed as of May 25, 1950, covered by the agreement dated October 26, 1950, consist of 5,828 feet of gas mains and 6,044 feet of service pipe, representing 96 services which are to be sold to the City of Long Beach for \$14,285.08, plus a severance cost for the removal of certain facilities by Southern California Gas Company of \$333.34, making a total cost of \$14,618.42.

The purchase price of the properties, as agreed upon, was determined by taking the book costs less the accrued depreciation.

The agreement also provides for the payment of any additions to the system subsequent to May 25, 1950, to the date of transfer. According to Exhibit 2, presented at the hearing, there have been added 104 feet of main and 625 feet of service pipe, installed for 7 services, amounting to \$1,092.19, plus a severance cost of \$68.44, which, added to the \$14,618.42, would make a total charge as of December 31, 1950 of \$15,779.05.

It was brought out at the hearing that there are three customers located at the corner of Santa Fe Avenue and 223d Street. One of them is outside of the city limits and is being supplied from the 8-inch main of the Southern California Gas Company. As this 8-inch main is to be removed by the Southern California Gas Company the above-mentioned customer could not be economically served from the Southern California Gas Company's system at the present time; therefore, gas service will be rendered to this customer by the City of Long Beach until such time as gas service is available from the Southern California Gas Company's facilities. Under the above-mentioned arrangement Southern California Gas Company is to transfer 48 feet of service pipe, required to serve this customer, to the City of Long Beach, at the purchase price of \$111.89.

The City of Long Beach submitted a map, which was received as Exhibit No. 6, setting forth a detail of the distribution system of the City of Long Beach, in the vicinity of the territory involved in this proceeding, showing the method by which the customers to be transferred would be connected to its system. It was also brought out that the City of Long Beach had its own natural gas supply which was adequate to take care of the service requirements of the customers to be added to its system.

Since the rates of the City of Long Beach are slightly lower than those of the Southern California Gas Company and as its extension rule is substantially the same, it appears that none of the customers to be transferred will be penalized by permitting the sale of the properties. Inquiries by the City Manager's office in the territory involved did not reveal any opposition to the change in the utility service.

From the testimony introduced by both the Southern California Gas Company and the City of Long Beach, it appears that the service to the public will not be affected adversely by the proposed transfer of properties and that, accordingly, the application should be granted subject to the provisions of the order herein.

O R D E R

The above-entitled application to sell public utility property having been filed with this Commission, a public hearing having been held, the matter having been submitted, and now ready for decision, and it appearing to the Commission that the proposed transfer will not be adverse to the public interest, therefore

IT IS HEREBY ORDERED that Southern California Gas Company on or after the effective date hereof, and on or before August 1, 1951, may sell and transfer the herein-described public utility

property to the City of Long Beach pursuant to the agreement of sale and purchase embodied in said application, subject to the following conditions:

1. That on or before the date of actual transfer, Southern California Gas Company shall refund all deposits, if any, now held for the establishment of credit, or for the extension of gas service to customers involved in this transfer.
2. That if the authority herein granted is exercised, the Southern California Gas Company, within thirty (30) days thereafter, shall notify this Commission in writing, of the date of such completion of the property transfer herein authorized and of its compliance with the conditions hereof.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 13th day of February, 1951.

R. E. Anderson
James D. Coleman
Harold A. Kula
James H. Potter
John E. Mitchell
Commissioners.