

**ORIGINAL**

Decision No. 47363

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application )  
of SOUTHERN CALIFORNIA GAS COMPANY, )  
a corporation, and SOUTHERN COUNTIES )  
GAS COMPANY OF CALIFORNIA, a corpora- )  
tion, for an order of the Commission )  
authorizing the first Applicant to sell ) Application No. 33196  
a certain distribution pipeline, and )  
authorizing both Applicants to carry )  
out the terms of a written letter )  
agreement. )

OPINION AND ORDER

In the above application, Southern California Gas Company (hereinafter referred to as "California") and Southern Counties Gas Company of California (hereinafter referred to as "Counties") request an order of this Commission authorizing applicant California to sell a certain distribution pipe line to applicant Counties, and authorizing both applicants to carry out the terms of a gas exchange agreement. A detail of the distribution pipe line to be purchased and the terms of the gas exchange agreement are set forth in a letter agreement dated March 4, 1952, attached to and made a part of the application as Exhibit "A".

The distribution pipe-line facilities to be sold include approximately 6,600 feet of 8-inch main and 10,500 feet of 10-inch main, and are connected to applicants' 30-inch Texas loop line at the intersection of Grove and Cloverdale Avenues. Applicant California is now supplying gas to approximately 26 customers directly from the distribution pipe line and approximately 1,268 customers in the Cucamonga area through the distribution pipe line.

In addition to supplying its own customers from and through this distribution pipe line, applicant California has also

supplied gas to applicant Counties on an exchange basis, and during a recent period approximately 85% of the gas delivered through this distribution pipe line has been supplied to applicant Counties for its customers in the Pomona-Chino-Ontario-Upland area. Since the distribution pipe line now has much greater utility to applicant Counties than to applicant California, the applicants have entered into the letter agreement providing for the transfer of the above-described pipe line.

Under the terms of the letter agreement, the distribution pipe line will be transferred to applicant Counties at a price of \$21,831.21, which price is equal to the original cost of the distribution pipe line to applicant California, less applicable depreciation reserve as of December 31, 1951. The two conditions that are imposed in connection with the proposed transfer are (1) applicant Counties will supply a sufficient quantity of gas to applicant California on an exchange basis (including an exchange charge of 1/2 cent per Mcf), and (2) that applicant Counties will not distribute or sell any gas within the territory agreed upon between applicants in the stipulation as set forth in Paragraph VII of application.

It is provided that the proposed exchange agreement shall not become effective until authorization has been obtained from the California Public Utilities Commission to carry out its terms, and that it shall be subject at all times to such changes or modifications as may be ordered by this Commission from time to time in the exercise of its jurisdiction.

The Commission having considered the request of the applicant and being of the opinion that the application should be granted and that a public hearing is not necessary and it appearing to the Commission that the proposed transfer of property will not be adverse to the public interest; therefore,

IT IS HEREBY ORDERED that Southern California Gas Company may, on or after the effective date hereof, and on or before December 31, 1952, sell in accordance with the terms of an agreement dated March 5, 1952, attached to the application herein as Exhibit "A", that certain distribution pipe line described therein, to Southern Counties Gas Company of California.

Within thirty (30) days thereafter Southern California Gas Company shall notify this Commission in writing of the completion of the property transfer herein authorized.

The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be transferred.

IT IS HEREBY FURTHER ORDERED that Southern California Gas Company and Southern Counties Gas Company of California are authorized to carry out the terms of the gas exchange agreement contained in Paragraph (A) of the letter agreement attached to the application herein as Exhibit "A".

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

Dated at San Francisco, California, this 30<sup>th</sup> day of June, 1952.

[Signature]  
 President.

[Signature]

[Signature]  
[Signature]

Commissioners.