

(hereinafter sometimes called Southern California) and to the Southern Counties Gas Company (hereinafter sometimes called Southern Counties) is increased from \$113,917 to approximately \$126,600. Final decision in the applications was held in abeyance for an interval not exceeding ninety days pending further negotiations by the parties and notice to the Commission of the results thereof.

The First Supplemental Application herein was filed on April 18, 1955 and shows that supplemental agreements 1/ have been entered into between Pacific and Southern California and Southern Counties, respectively, providing for charges to the gas companies approximating \$126,600 on an annual basis in harmony with said Decision No. 51271 of this Commission. In part, the amendments to the agreements filed with the First Supplemental Application contain rates and charges for radio telephone equipment proposed to be furnished by Pacific to the gas companies and provide for the addition to or removal from the radio telephone system from time to time of certain items of equipment at the request of the gas companies in accordance with specified rates and charges.

Said agreements state that they are not to become effective until authorization of this Commission is obtained. Each of the agreements contains a provision that it shall be subject to such changes or modifications as may be required or authorized by any regulatory commission in the exercise of its lawful jurisdiction.

Pacific agrees that if it is authorized to purchase the radio telephone equipment and related facilities from the above-named gas companies, in future rate proceedings it will include such purchased plant in an amount not in excess of original cost less depreciation.

1/ Exhibits A and B attached to the First Supplemental Application.

The Commission has considered the requests of applicants as contained in the First Supplemental Application herein and is of the opinion that the proposed sale by Southern California and Southern Counties of their radio telephone equipment and related facilities to Pacific and the entering into agreements as amended by this First Supplemental Application whereby the gas companies propose to lease radio telephone equipment and facilities from Pacific and continue to operate said radio system, with Pacific providing maintenance and any new facilities that may be required, will not be adverse to the public interest; that the First Supplemental Application herein is in harmony with the requirements of this Commission's Decision No. 51271 in the above-entitled applications; and that a public hearing on this First Supplemental Application is not necessary. However, the action taken herein shall not be construed to be a finding of the value of the properties herein authorized to be transferred.

IT IS HEREBY ORDERED that Southern California and Southern Counties may, on or after the effective date hereof, and on or before September 30, 1955, sell and transfer the public utility property described in Exhibit A attached to Application No. 35843 and Exhibit A attached to Application No. 35844 to Pacific pursuant to the agreement of sale embodied in said applications subject to the following condition:

1. If the authority herein granted is exercised, applicants shall within thirty days thereafter, notify this Commission in writing of the date of such completion of the property transfer herein authorized.

IT IS HEREBY FURTHER ORDERED that Pacific be and it is authorized to carry out the terms and conditions of the written contract, dated August 19, 1954 as amended by agreement dated

April 4, 1955 with Southern California, and written contract dated August 18, 1954 as amended by agreement dated April 4, 1955 with Southern Counties, and to render the service described therein under the terms, charges and conditions stated therein.

IT IS HEREBY FURTHER ORDERED that Pacific shall:

1. File with this Commission within thirty days after the effective date of the contract dated August 18, 1954 as amended and of the contract dated August 19, 1954 as amended a statement of the date or dates on which the contracts are deemed to have become effective.
2. Notify this Commission of the date of termination of said contracts within thirty days from and after said date of termination.

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

Dated at San Francisco, California, this 10th day of May, 1955.

John E. Atwell
President
Justin F. Coleman
Paul L. ...
William D. ...
Commissioners