

ORIGINALDecision No. 55120

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SOUTHERN CALIFORNIA GAS COMPANY and)
 the CITY OF LONG BEACH under Section)
 851 of the Public Utilities Code for)
 an order of the Commission authoriz-) Application No. 39073
 ing the former to sell and the lat-)
 ter to buy certain gas distribution)
 facilities within the City of Long)
 Beach, California.)

OPINION AND ORDER

Southern California Gas Company, hereinafter referred to as "Southern", and the City of Long Beach, hereinafter referred to as "City", by the above-entitled application filed May 10, 1957, request an order of this Commission, under Section 851 of the Public Utilities Code, authorizing Southern to sell and City to buy certain gas distribution facilities located in territory recently annexed to City. A detail of the facilities to be purchased is set forth in an agreement dated April 18, 1957, attached to and made a part of the application as Exhibit "A".

Southern is engaged in the purchase, distribution and sale of gas in the central and southern portions of the State of California, including certain areas in and contiguous to the City. City operates a municipally owned gas system largely located within the limits of the incorporated City of Long Beach.

The distribution facilities, as of November 15, 1956, to be sold to the City and as covered by the agreement dated April 18, 1957, consist of approximately 261 steel and copper services, 268 meters, 268 meter set assemblies, 268 regulators, approximately

12,480 feet of welded steel pipeline, together with valves, fittings and other appurtenances attached thereto, and including approximately 13,173 feet of 3/4-, 1-, and 1½-inch welded steel services, including meters, regulators and meter set assemblies; 489 feet of 3/4- and 1-inch welded steel services and approximately 1,009 feet of 3/4-inch copper services, all with meters, meter set assemblies and regulators. Two hundred sixty-eight customers are being served by the facilities at the present time.

All of the facilities are located as shown on the map attached to the application as Exhibit "B". The original book cost of the property to be sold is \$43,551, and the depreciated book cost on a 4 per cent sinking fund basis is \$38,591. The purchase price is \$46,594, plus the book cost of such additional facilities as have been installed from November 15, 1956, to the closing date and the City's share of taxes.

City will assume all obligations of Southern in respect to customers' deposits and refundable deposits for extensions connected with the operation of the aforesaid facilities.

It appears that the transfer of facilities referred to in this application is not adverse to the public interest because it will promote a logical division of service areas between Southern and City and, in addition, the customers involved will obtain somewhat lower rates.

The Commission having considered the request of applicants and being of the opinion that a public hearing is not necessary and that the application should be granted; therefore,

IT IS HEREBY ORDERED that Southern California Gas Company on or after the effective date hereof and on or before December 31, 1957, may sell and transfer the herein described public utility

property to the City of Long Beach pursuant to the agreement of sale and purchase dated April 18, 1957.

Within thirty 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 value of the property herein authorized to be transferred.

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

Dated at San Francisco, California, this 11th day of JUNE, 1957.

[Signature]
President

[Signature]

[Signature]

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Commissioners