

Decision No. 55503

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 A. A. COOPS, an individual doing)
 business as KENWOOD GAS COMPANY, to)
 assign to KENWOOD GAS CORPORATION,)
 his certificate of public convenience)
 and necessity to operate a liquefied)
 petroleum gas distributing business)
 in Kenwood Village Subdivision;)
 Application of KENWOOD GAS CORPORATION)
 to purchase and take over said lique-)
 fied petroleum gas distributing)
 business in Kenwood Village Subdivision)
 and to issue shares of its stock; and)
 joinder by IMPERIAL GAS COMPANY, in)
 said application.)

Application No. 39231

O P I N I O N

A. A. Coops, an individual doing business as Kenwood Gas Company (hereinafter referred to as Coops), and Kenwood Gas Corporation (hereinafter referred to as Kenwood), filed the above-entitled joint application July 15, 1957, seeking authority to assign to Kenwood a certificate of public convenience and necessity granted to Coops by Decision No. 52251, dated November 22, 1955, and to operate a liquefied petroleum gas distributing business in Kenwood Village subdivision. Kenwood also seeks authority to issue and sell for cash 1,200 shares of \$10 par value stock.

Coops, by agreement dated June 30, 1955, agreed to sell to Imperial Gas Company, or separate corporation designated by Imperial, all assets including his business which he operated as a public utility under the name of Kenwood Gas Company, including the name, franchise, easements, and any storage facilities, and distribution system, pipes, fittings, and all other utility assets. Imperial,

desirous of remaining out of the utility business, has set up a separate corporation, namely, Kenwood Gas Corporation, to operate the utility properties.

The application states that Coops now possesses a general county gas franchise which was granted by the Board of Supervisors of the County of Sonoma, under Ordinance No. 359, dated June 30, 1953. The Commission in its Decision No. 52251, dated November 22, 1955, issued to Coops a certificate of public convenience and necessity to exercise this franchise, which is assignable to the heirs or successors of Coops. Applicant Kenwood requests transfer of the certificate of public convenience and necessity to exercise this franchise. There appears to be no reason for withholding approval of the proposed transfer. Upon the basis of information now before us, we are of the opinion and so find that the transfer will not be adverse to the public interest.

Kenwood proposes to issue 1,200 shares of capital stock with a par value of \$10 per share. No commission is to be paid on the sale of this stock, which will be used to finance the sale to Kenwood by Coops of that portion of his business which he operates as a public utility, under the name of Kenwood Gas Company, for \$9,427.95. The balance of proceeds are to be used by Kenwood as necessary working capital.

The corporation has not asked for any change in rates now in effect under Schedule No. G-80. We find nothing that would require any change and, therefore, find the tariff schedules and rules and regulations appropriate for adoption by Kenwood and the order will so provide.

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

O R D E R

The Commission having considered the above-entitled matter, and being of the opinion that a public hearing is not necessary, that the application should be granted as herein provided, that the money, property or labor to be procured or paid for by the issue of the stock herein authorized, is reasonably required by Kenwood Gas Corporation for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED that:

1. A. A. Coops on and after the date hereof and on and before December 31, 1957, may sell and convey to Kenwood Gas Corporation the gas properties, business and certificate of public convenience and necessity to which reference is made in this proceeding and thereafter may withdraw from the public utility gas operations.

2. Rates, rules and regulations of A. A. Coops, doing business as Kenwood Gas Company, now legally on file with the Commission, shall be refiled within thirty days from the date of transfer under the name of Kenwood Gas Corporation in accordance with procedures prescribed by General Order No. 96 or, in lieu of such refiling, Kenwood Gas Corporation may file a notice of adoption of said presently filed rates. No increases in the present lawfully filed rates and rules shall be made unless authorized by this Commission.

3. After the effective date hereof and on or before December 31, 1957, Kenwood Gas Corporation may issue and sell for cash at not less than \$10 per share, 1,200 shares of its capital stock and use the proceeds for the purposes set forth in the foregoing opinion.

4. Applicant shall file a report, or reports, as required by General Order No. 24-A, which order insofar as applicable, is made a part of this order.

5. On or before the date of actual transfer, A. A. Coops shall refund all deposits which customers are entitled to have refunded; and that any unrefunded deposits shall be refunded to and become the obligation of the Kenwood Gas Corporation.

6. If the authority herein granted is exercised, Kenwood Gas Corporation shall, within thirty days thereafter, notify this Commission in writing, the date of such completion of the transfer of the property herein authorized and of its compliance with the conditions hereof.

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

Dated at San Francisco, California, this 2nd day of September, 1957.

John E. Mitchell
President

Ray L. Winterman

W. H. Hardy

S. L. Fox

Commissioners