

ORIGINALDecision No. 52241

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
authorizing the former to sell and
the latter to buy certain gas
distribution facilities within the
City of Long Beach, California.

Application No. 40252

OPINION AND ORDER

Southern California Gas Company and the City of Long Beach by the above-entitled application filed July 11, 1958, request an order of this Commission, under Section 851 of the Public Utilities Code, authorizing Southern California Gas Company to sell and the City of Long Beach to buy certain gas distribution facilities located in territory recently annexed to the City of Long Beach, California. A detail of the facilities to be purchased is set forth in an agreement dated June 12, 1958 attached to and made a part of the application as Exhibit "1".

Southern California Gas Company, hereinafter referred to as "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 of Long Beach, California. City of Long Beach, hereinafter referred to as "City", operates a municipally owned gas system largely located within the limits of the incorporated City of Long Beach.

The distribution facilities as of August 31, 1957, to be sold to the City and as covered by the agreement dated June 12, 1958, consist of 97,305 feet of gas mains and 129,282 feet of

service pipe, together with valves, fittings and other appurtenances attached thereto, having a net book cost of approximately \$240,000. There are approximately 2,664 customers served from the facilities to be sold.

All of the facilities are located as shown on the map attached to the application as Exhibit "3". The base purchase price provided for in the said agreement is the sum of \$419,340.00, approximating the reproduction cost new, less depreciation, of the facilities, plus the book cost of such additional facilities, as have been installed from August 31, 1957, to the closing date and the City's share of taxes as set forth in paragraph (9) of the agreement. The base price includes estimated severance costs of \$31,817.01 to be adjusted to actual costs when determined.

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

It appears that the transfer of facilities referred to in this application is in the public interest. It will promote a logical division of service areas between Southern and City.

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 March 31, 1959, may sell and transfer the herein described public utility property to the City of Long Beach pursuant to the agreements of sale and purchase embodied in said application.

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 the 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 26th day of August, 1958.

E. L. Fox
President
W. E. Mitchell
W. E. Mitchell
Therese Hoover
Commissioners