

ORIGINAL

Decision No. 60608

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SOUTHERN COUNTIES GAS COMPANY)
OF CALIFORNIA, for authorization)
to carry out the terms of an)
agreement to sell its private)
mobile radio-telephone equipment)
and related facilities to RADIO)
CORPORATION OF AMERICA under)
Section 851 of the California)
Public Utilities Code.)

APPLICATION NO. 42420

OPINION AND ORDER

Southern Counties Gas Company of California, a natural gas utility operating in the southern portion of the State, filed this application June 29, 1960, requesting authority to carry out the terms of an agreement to sell certain private mobile radiotelephone system equipment to Radio Corporation of America (RCA).

Applicant states that it intends to purchase from The Pacific Telephone and Telegraph Company (Pacific) a group of private mobile radiotelephone system equipment, used in a system heretofore leased from and maintained by Pacific under a letter agreement dated August 18, 1954, as amended. Such purchase is to be consummated pursuant to the provisions of Decision No. 60568 dated August 16, 1960, in Application No. 42381. Applicant proposes to resell immediately to R.C.A. a portion of said group of equipment at its acquisition cost of \$44,209, plus any applicable sales tax, such price to be subject to final adjustment for equipment additions or deletions. The portion proposed to be resold is described in Exhibit A to the application and consists of electronic equipment at fixed stations. Applicant states that it will retain title to the remainder of the group of equipment to be purchased from Pacific, comprising, among other things, buildings, antenna supports and engine generators.

Among the reasons applicant gives for selling the described radiotelephone equipment to R.C.A. are the following:

1. Applicant is engaged in the natural gas distribution business and believes that it would be in the public interest to have its communications facilities owned and maintained by specialists in communications.

2. Applicant's radio communications system has heretofore been leased from and maintained by Pacific. Pacific will not engage in private mobile radiotelephone maintenance after January 24, 1961, and applicant plans to secure such communications service from R.C.A. under terms of an agreement dated March 31, 1960, attached to the application as Exhibit B.

3. Applicant is convinced that it is more economical for communications specialists to render this communications service than for it to employ full-time technicians and experts in radio service and maintenance.

The Commission has considered this matter and is of the opinion and finds that the granting of the application subject to the conditions set forth herein is not adverse to the public interest and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED that after the effective date of this order and on or before December 31, 1960, applicant is authorized to sell to Radio Corporation of America the private mobile communications equipment described in Exhibit A attached to the application, subject to the following conditions:

1. That applicant shall have completed the purchase of the property authorized to be sold by The Pacific Telephone and Telegraph Company in Decision No. 60568 dated August 16, 1960, in Application No. 42381. ✓

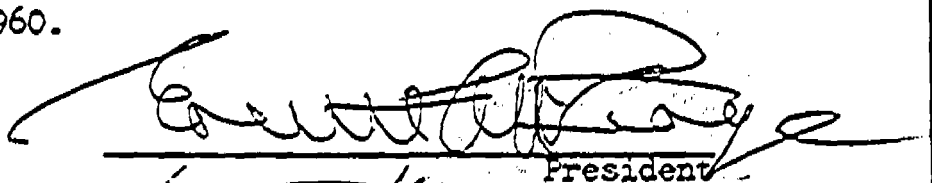
2. That the selling price of the property herein authorized to be sold shall be \$44,209, plus any applicable sales tax, and shall be subject to final adjustment for any reasonably necessary additions or deletions of private mobile radio-telephone equipment in the schedule shown in Exhibit A to the application.

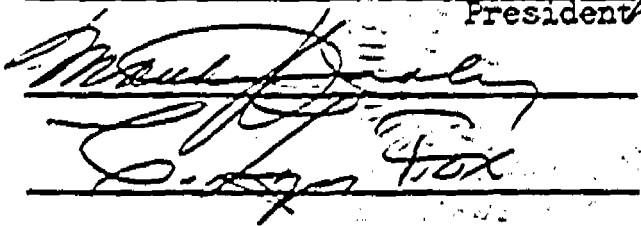
3. That, within thirty days after the authority herein granted is exercised, applicant shall notify this Commission in writing of the date of the completion of the sale of property herein authorized and of its compliance with the conditions hereof. Such notification shall state the finally adjusted sales price and include the details of any equipment additions or deletions in the schedule shown in Exhibit A to the application.

The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be sold, nor shall it be construed to constitute either approval or disapproval of the service agreement contained in Exhibit B to the application.

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

Dated at San Francisco, California, this 23rd day of August, 1960.


President


Commissioner

Commissioners