

Decision No. ~~62381~~

ORIGINAL

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. 43558

OPINION AND ORDER

Southern California Gas Company and the City of Long Beach by the above-entitled application filed June 28, 1961, 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. The agreement also contemplates that the City of Long Beach shall convey to Southern California Gas Company certain facilities hereinafter described which it owns in the City of Paramount. A detail of the facilities to be purchased is set forth in an agreement dated June 22, 1961 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, hereinafter referred to as "City", and operates a municipally owned gas system largely located within the limits of the incorporated city of Long Beach.

The distribution facilities as of June 30, 1960, to be sold to the City consist of approximately 172,193 feet of welded steel pipelines, together with valves, fittings and other appurtenances attached thereto, and including 4,072 steel, copper and plastic services; 4,081 meters; 4,034 meter set assemblies; 4,072 regulators; and approximately 245,426 feet of steel, plastic and copper services. These facilities are located within that portion of the City bounded by Carson Street on the north, San Gabriel River Flood Control Channel on the east, Spring Street on the south, and Woodruff Avenue, Los Coyotes Diagonal and Palos Verde Avenue on the west. In addition, the physical facilities consist of approximately 5,200 lineal feet of gas main, most of which is 8-inch in diameter, located at South Street between Cherry Avenue and Downey Avenue, together with a vault located at South Street and Cherry Avenue. City shall also purchase any additional facilities installed in the area by Southern after June 30, 1960 and prior to the closing date.

The base purchase price provided for in the agreement is the sum of \$897,300, plus the book cost of such additional facilities installed from June 30, 1960 to the closing date. City shall convey to Southern, 11 services with 14 meters in the city of Paramount, as described in the agreement. The base price includes estimated severance costs of \$900 to be adjusted to actual costs when determined. Southern shall give City credit on the purchase price for all refundable advances for extensions, if any, made by customers to Southern in the area described. City has agreed that, upon the consummation of the purchase and sale contemplated by the agreement, it will assume all obligations of Southern to render service from the facilities involved.

It appears and the Commission finds that the transfer of facilities referred to in this application will not be adverse to 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 ORDERED as follows:

1. Southern California Gas Company, on or after the effective date hereof and on or before January 1, 1962, 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 June 22, 1961.

2. Southern California Gas Company shall notify this Commission, in writing, of the completion of the property transfer herein authorized within thirty days thereafter.

3. Southern California Gas Company shall revise and refile in accordance with General Order No. 96 applicable tariff sheets describing the boundary between its service area and that of the City of Long Beach Municipal Gas Department within thirty days after the completion of the property transfer herein authorized.

4. Upon commencement of service by City, Southern California Gas Company shall be relieved of its utility obligation to serve in the area described herein and City shall assume all obligation to render future services therein.

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 8th day of August, 1961.

[Signature]
President

[Signature]

[Signature]

Fredrick B. Holcomb
Commissioners