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ORIGINAL

Decision No. 68401

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SOUTHERN CALIFORNIA GAS COMPANY,)
a corporation, for an order of the)
Commission authorizing it to sell)
certain gas distribution facilities)
to the CITY OF LONG BEACH, a)
municipal corporation.)

Application No. 47136
(Filed November 23, 1964)

OPINION AND ORDER

Southern California Gas Company (Southern) and the City of Long Beach (City) 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 under an agreement dated November 19, 1964 attached to the application as Exhibit "2." A detailed description and a map showing the location of the facilities to be purchased are set forth in Exhibits A and B to the agreement.

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 September 1, 1964, to be sold to the City consist of approximately 235,111 feet of distribution main, together with valves, fittings and other appurtenances attached thereto, 5,551 steel, copper and plastic services, 5,576 meters, 5,547 meter set assemblies and 5,548 regulators. These

facilities are situated within that portion of the City located generally in the area between Carson and Spring Streets east of Lakewood Boulevard and west of Palo Verde Avenue and Los Coyotes Diagonal, including the two County islands located within said area, and also including the facilities serving 7,600 and 8,064 East Spring Street. Also included are the permits, licenses, easements and rights of way appertaining to these facilities and the accounts receivable related thereto.

The base purchase price provided for in the agreement is the sum of \$1,100,000, plus the book cost of such additional facilities installed between September 1, 1964, and the closing date which is the last day of the month in which this order becomes effective. City shall also pay to Southern the sum of \$75,000 for the estimated amount of Southern's accounts receivable, subject to adjustment to actual amounts, less a discount of 2 percent. The base price includes estimated severance costs of \$1,888 to be adjusted to actual costs when determined. Southern shall give City credit on the purchase price for all refundable advances for extensions made to Southern, if any, by customers served by the facilities. 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 through the facilities involved.

The Commission finds that:

1. The transfer of the facilities referred to in this application will not be adverse to the public interest.
2. The transfer will result in a logical division of service areas between Southern and City. A public hearing is not necessary.

Based upon the foregoing findings, the Commission concludes that the application should be granted; therefore,

IT IS ORDERED that:

1. Southern California Gas Company, on or after the effective date hereof and on or before July 1, 1965, may sell and transfer the public utility property described in the application to the City of Long Beach pursuant to the agreement of sale and purchase dated November 19, 1964, attached to the application as Exhibit "2."

2. Southern California Gas Company shall notify this Commission, in writing, of the completion of the property transfer herein authorized within thirty days thereafter including a statement of the purchase price and severance costs as finally determined.

3. Southern California Gas Company shall revise and refile in accordance with General Order No. 96-A 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 30th day of DECEMBER, 1964.

Frederick B. Hallock
President
Walter A. Bennett
Walter A. Bennett

Commissioner George E. Grover
present but not voting.