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Decision 90-12-127 December 27, 1990

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California)
Gas Company for approval to transfer)
property to Continental Telephone)
Company pursuant to Public Utilities)
Code Section 851.)

Application 84-08-079
(Filed August 22, 1984)

FINAL OPINION

Statement of Facts

By Interim Decision (D.) 84-10-060, the Commission authorized Southern California Gas Company (SoCalGas) to sell and transfer to Continental Telephone Company of California (Contel), an underground communications link connecting its gas regulating facility at Lake Station in Kern County to Contel's system.

The communications facility, with a depreciated net book value of \$3,728.40 was sold for \$1, representing a loss of \$3,727.40. By the interim decision SoCalGas was ordered to hold this loss in a memorandum account pending further order of the Commission. In the application SoCalGas represented that while the sale and transfer would be mutually beneficial to it and Contel, no increase in rates to SoCalGas' customers would occur as a result of this sale and transfer. There were no protests to the application.

Discussion

In view of SoCalGas' representations of no economic impact to its ratepayers, and in the absence of any protests, we accept SoCalGas' representations and will hold that the loss incurred accrues to SoCalGas and its shareholders. As in all such transfers, the fact that the sale price is reasonable does not determine the ratemaking impact for the acquiring utility. That issue should be resolved according to our normal procedures at the appropriate time.

Findings of Fact

1. The sale to Contel of the communications link described in the captioned application resulted in a loss.
2. SoCalGas represented in its application that the sale and transfer would result in no rate increase to ratepayers.
3. To permit SoCalGas to close out this outstanding item in this year's financial results, the order which follows should be made effective immediately.

Conclusions of Law

1. The loss realized by SoCalGas on the sale of this communications link should accrue to the utility and its shareholders.
2. A public hearing is not necessary.

FINAL ORDER

IT IS ORDERED that the loss realized from the sale of the communications link described in the captioned application shall accrue to Southern California Gas Company and its shareholders.

This order is effective today.

Dated December 27, 1990, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY

NEAL J. SEYMOUR, Executive Director