

Decision No. 18646.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of Southern Counties Gas Company of California for a certificate of public convenience and necessity to exercise certain franchise rights granted to it by the City of Huntington Beach, and for a preliminary order for a certificate of public convenience and necessity to exercise certain franchise rights applied for as, if and when granted by the City of Ojai.

Application No. 13326.

Leroy M. Edwards, for applicant.
George F. Dennison, for the City of Ojai.

BRUNDIGE, COMMISSIONER:

C O P I N I O N

This is an application by Southern Counties Gas Company of California for an order declaring that public convenience and necessity require the exercise by it of the rights and privileges of franchise granted by the City of Huntington Beach, and for a preliminary order declaring that public convenience and necessity will require the exercise by it of the rights and privileges of franchise which has been applied for to the City of Ojai.

Public hearing was held in Los Angeles, June 28, 1927, at which time testimony was introduced and the matter submitted for decision.

It appears that on March 7, 1927, applicant purchased

the theretofore municipally owned and operated gas distribution system of the City of Huntington Beach and has since that date been operating the same.

Ordinance No. 302 passed May 16, 1927 by the Board of Trustees of the City of Huntington Beach, grants applicant a franchise to install, operate and maintain gas facilities within the City of Huntington Beach. This franchise, a copy of which is attached to the application, is for a period of forty (40) years and carries the usual provision for a tax of two (2) per cent of the gross revenue, effective five (5) years from the date of grant.

Witness for applicant testified that no other company is serving gas in the City of Huntington Beach, that service can be rendered without detriment to present consumers on applicant's system and that this service is in the public interest.

Applicant has agreed to file with the Commission a stipulation, duly and legally approved by resolution of its Board of Directors, to the effect that applicant, its successors or assigns, will never claim before the Railroad Commission or any court or public body, any value for the sforesaid franchise in excess of the actual cost thereof.

It further appears that applicant is now and for several years past has been distributing natural gas to consumers located in various parts of the county of Ventura, and that it is the only utility distributing gas in said county; that applicant has recently been approached by the City of Ojai, County of Ventura, to supply that city with natural gas; that applicant has applied to the Board of Trustees of Ojai to

grant a franchise covering such service, which application was accepted by the Board on May 23, 1927, the Board passing a resolution to offer for sale such a franchise on July 18, 1927.

Mr. A. L. Drown, mayor of Ojai and chairman of its Board of Trustees, gave testimony to the effect that he as representative of the City of Ojai joined in the request that preliminary order be granted. He further stated that the granting of said franchise to applicant by the City of Ojai was dependent upon the establishment of a gas rate which was satisfactory to the people of Ojai.

Witness for applicant testified that the rates applicant proposed to apply for this service are as follows:

Monthly consumer charge \$1.25 per meter

Commodity rate:

First 2,000 cu.ft. per meter per month - \$1.30 per M.C.F.
All over 2,000 cu. ft.per meter per month - 1.00 " "

Witness for applicant further testified that no other company is serving gas in the city of Ojai, that service can be rendered without detriment to present consumers on applicant's system, and that this service is in the public interest.

Applicant has agreed to file with the Commission a stipulation duly and legally approved by resolution of its Board of Directors to the effect that applicant, its successors or assigns, will never claim before the Railroad Commission or any court or public body any value for the aforesaid franchise in excess of the actual cost thereof.

I recommend the following form of order.

O R D E R

Southern Counties Gas Company of California having applied to the Railroad Commission of the State of California for a certificate of public convenience and necessity for the exercise of certain rights and privileges granted by the City of Huntington Beach, Ordinance No. 302, and for a preliminary order declaring that public convenience and necessity will require the exercise of a franchise to be secured from the City of Ojai, a public hearing having been held, the matter having been duly submitted and now being ready for decision,

The Railroad Commission of the State of California hereby certifies and declares that public convenience and necessity require and will require the exercise by Southern Counties Gas Company of California, of those rights and privileges granted by Ordinance No. 302, adopted by the Board of Trustees of the City of Huntington Beach on May 16, 1927, subject to the following condition:

That on or before August 31, 1927, Southern Counties Gas Company of California shall file with this Commission a stipulation, duly executed upon authority of its Board of Directors, to the effect that applicant, its successors or assigns, will never claim before the Railroad Commission or any court or public body, any value for the aforesaid franchise in excess of the actual cost thereof.

The Railroad Commission of the State of California further declares that hereafter upon the filing of a supplementary application accompanied by a certified copy of the ordinance by the City of Ojai, granting applicant a franchise, and of a satisfactory stipulation regarding claims for the value of

such franchise, the Railroad Commission of the State of California will certify and declare that public convenience and necessity require and will require the exercise by Southern Counties Gas Company of California of the rights and privileges granted to it by such ordinance, subject to such terms and conditions as the Commission may prescribe.

The authority herein granted shall be effective from and after the date of this order.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 13th
day of July, 1927.

Edward C. ...

Al ...

Leon ...

Commissioners.