

ORIGINAL

Decision No. 21368.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the Application of Southern California Gas Company, a California corporation, for a certificate of public convenience and necessity to exercise certain franchise rights in the County of Kings, under franchise applied for by applicant.

Application No. 15425.

In the matter of the Application of Southern California Gas Company, a California corporation, for a certificate of public convenience and necessity to exercise certain franchise rights in the County of Merced, under franchise applied for by applicant.

Application No. 15668.

In the matter of the Application of Southern California Gas Company, a California corporation, for a certificate of public convenience and necessity to exercise certain franchise rights in the County of Madera, under franchise applied for by applicant.

Application No. 15669.

In the matter of the Application of Southern California Gas Company, a California corporation, for a certificate of public convenience and necessity to exercise certain franchise rights in the City of Lemoore, County of Kings, under franchise applied for by applicant.

Application No. 15670.

In the matter of the Application of Southern California Gas Company, a California corporation, for a certificate of public convenience and necessity to exercise certain franchise rights in the County of Fresno, under franchise applied for by applicant.

Application No. 15671.

In the matter of the Investigation)
 upon the Commission's own motion in-)
 to the necessity and propriety of)
 that certain contract for the purchase)
 and sale of natural gas entered into)
 between Southern California Gas Com-)
 pany, a corporation, and Standard Oil)
 Company of California, a corporation,)
 said contract being dated May 1, 1929.)

Case No. 2705.

T. J. Reynolds and A. B. MacBeth
 for Applicant,
 C. P. Cullen for Pacific Gas and
 Electric Company,
 Thelen and Marrin for Western Nat-
 ural Gas Company.

WEITSELL, COMMISSIONER:

O P I N I O N

In these proceedings, the Commission has before it the applications of Southern California Gas Company to exercise franchise rights in the counties of Kings, Fresno, Merced and Madera and in the City of Lemoore, and an investigation upon the Commission's own motion into the necessity and propriety of a certain contract for the purchase and sale of natural gas entered into between Southern California Gas Company and Standard Oil Company of California, under date of May 1, 1929.

In the matter of applicant's request to exercise franchise rights in Kings County, a public hearing was held in Los Angeles on April 4, 1929, before Examiner Satterwhite and the matter submitted. This proceeding was later reopened and consolidated for hearing and decision with the other proceedings recited above. Public hearings in the consolidated proceedings were held in San Francisco on June 13th, 20th and 21st, 1929.

Evidence presented indicates that Southern California Gas Company is now supplying manufactured gas of 550 B.t.u. heat content to its San Joaquin Division, comprising the towns of Dinuba, Exeter, Farmersville, Hanford, Kingsburg, Lindsay, Parlier, Porterville, Reedley, Strathmore, Tulare and Visalia, in the counties of Fresno, Kings and Tulare. The City of Lemoore is not now supplied with gas service.

If the applications are granted Southern California Gas Company will construct the necessary transmission lines from Kettleman Hills oil field to supply straight natural gas of approximately 1100 B.t.u. heat content to the communities mentioned and in the general areas traversed by its lines. It also proposes to build a transmission line which will make natural gas available to the cities of Fresno, Merced and Selma, now supplied with manufactured gas, and for wholesale service to Yosemite Cement Company and for other industrial uses to establishments located along its transmission line. It further proposes to construct a transmission line from Kettleman Hills south to connect with its present natural gas system, the major portion of such construction being within Kern County, within which applicant now has franchise rights.

The service of natural gas to communities now supplied with manufactured gas, when feasible, is clearly a matter of public convenience and necessity, as is the service of such natural gas to communities or areas not now supplied with gas service. Applicant will introduce such natural gas service to territories presently supplied by it, under rates now in effect for manufactured gas.

The applications will be granted subject to such limitations as seem warranted.

The carrying out of applicant's program will necessitate the purchase of gas at Kettleman Hills and, as it is not incumbent

upon this Commission to pass upon the merits of this particular contract, this proceeding will be dismissed.

Copies of franchises which have been granted to applicant, namely for the counties of Fresno and Kings, and the City of Lemoore, have been filed with this Commission.

I recommend the following form of order:

O R D E R

Southern California Gas Company having applied to the Railroad Commission of the State of California for an order and decision certifying that public convenience and necessity require and will require the exercise by applicant of the rights, privileges and franchises granted and to be granted to it by the counties of Kings, Merced, Madera and Fresno, and the City of Lemoore, and the Railroad Commission of the State of California having instituted upon its own motion an investigation into the necessity and propriety and into the terms and conditions of that certain natural gas contract dated May 1, 1929, entered into between said Gas Company and the Standard Oil Company of California, a corporation, public hearings having been held, the matter being submitted and now ready for decision,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same is hereby granted to Southern California Gas Company to construct and operate the natural gas transmission and distribution systems referred to in the opinion above and for the exercise of those franchise rights granted to it by the counties of Kings and Fresno, and the City of Lemoore, in so far as the exercise of such franchises may be necessary for such transmission and distribution of natural gas and subject to the following conditions and not otherwise:

(1) that all of the natural gas transported by means of said pipe line or pipe lines shall be disposed of, allocated

and distributed in accordance with the orders of this Commission.

(2) That applicant shall, at the discretion of this Commission and when transmission line and compressor capacities permit, transmit natural gas for other utilities, the volumes of gas thus transported and the transportation charges made therefor being subject to the approval of this Commission.

(3) That no natural gas transported through said pipe line or pipe lines shall be delivered or sold for resale except under such conditions as may be specifically approved by this Commission.

(4) That lines shall not be constructed or operated in the counties of Merced and Madera unless and until Southern California Gas Company shall file with this Commission certified copies of all necessary franchises to lay and operate its natural gas transmission lines in said counties.

(5) That Southern California Gas Company shall file with this Commission a stipulation duly executed on authority of its Board of Directors, agreeing that applicant, its successors or assigns, will never claim before the Railroad Commission or any court or any other public body, a value for any of the permits, easements and franchises used in connection with these projects in excess of the original cost thereof.

(6) Upon the filing of the franchises and stipulation referred to in paragraphs (4) and (5), in the proper form, this Commission will issue its supplemental order authorizing the exercise of rights conferred by such franchises. Said franchises and stipulation shall be filed on or before September 30, 1929.

IT IS HEREBY FURTHER ORDERED that Case No. 2705, being an investigation upon the Commission's own motion into the necessity and propriety of a certain contract for purchase and sale of natural gas, be and the same is dismissed.

