

Decision No. 22711

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SOUTHERN COUNTIES GAS COMPANY OF )  
CALIFORNIA, a corporation, for a )  
certificate of public convenience )  
and necessity under Section 50 of )  
the Public Utilities Act, for )  
authority to extend its facilities )  
and to exercise franchise acquired. )

**ORIGINAL**  
Application No. 16605

L. M. Edwards, for Applicant.

BY THE COMMISSION -

O P I N I O N

Southern Counties Gas Company of California, a corporation, has petitioned the Railroad Commission for an order declaring that public convenience and necessity require, and will require, the exercise by applicant of the rights and privileges granted to it under franchise ordinance No. 1797 (New Series) of the County of Los Angeles, under date of February 17, 1930, and the construction by applicant of plants and systems in the territory covered by said franchise, and authorizing applicant to construct such plants and systems.

A public hearing on this application was conducted by Examiner Handford at Los Angeles, the matter was duly submitted and is now ready for decision.

The territory described in the application consists of that portion of Los Angeles County lying West of the East line of Range Seventeen (17) West, and South of a line through the center of Sections Fifteen (15) and Sixteen (16), as more particularly shown in yellow color on a map marked "Exhibit B", and attached to the application herein, said territory being commonly known as the Malibu District.

The record shows the applicant is now serving natural gas in the portions of Ventura and Los Angeles Counties surrounding the above described territory; that the coastal regions of the foregoing territory are, since the construction and opening of the Roosevelt Highway being rapidly built up with many large dwellings and summer cabins; that the residents of this territory are not now receiving any public utility gas service whatsoever; and that numerous requests for gas service have been received from residents of this section. Applicant alleges that the cost of serving these prospective consumers by extension of its natural gas system is at this time prohibitive, but that in view of the favorable results from its recent experiment with service of liquid petroleum gas at Moorpark, it proposes to construct similar gas plants and accompanying distribution systems at various locations, and as the necessity requires. It is further proposed to connect these systems, or any of them, to the applicant's present natural gas system, when and if it will be more economical to substitute natural gas for the liquid petroleum gas service.

The testimony shows that applicant proposes to immediately construct a plant and distribution system in the vicinity of the coastal entrance to Las Flores Canyon, which is four and one-half miles west of the closest terminus of its natural gas system, and which plant would serve ten substantial dwellings and two large restaurants (restaurants' requirement estimated to be the equivalent of 1,800,000 cubic feet of natural gas per year); that applicant would establish a second plant, two and one-half miles west of that described above, to serve a large group of elaborate residences situated on land leased from the Marblehead Land Co., and that this

latter project, which at present represents the greatest need for service in this entire territory, is dependent upon applicant securing from Marblehead Land Co. permission to install pipe lines and services on private property.

Testimony introduced at the hearing shows that applicant desires to distribute, through gas mains, service and meters, to consumers' premises a liquid petroleum gas consisting essentially of butane and propane in such proportions as to result in a non-explosive mixture of a heating value of approximately 2800 B.T.U. per cubic foot. Applicant, during the hearing, suggested the following rates for this service:

Service Charge per Meter per Month, .....\$1.25.

Commodity Charge, to be added to Service Charge:

First 100 lbs., per meter per month, .....	.04	per lb.
Next 400 " " " " " " .....	.03	" "
All over 500 " " " " " " .....	.02 $\frac{1}{2}$	" "

Minimum Charge: In case of seasonal service to summer cabins, minimum service charge will be \$7.50 per year.

This annual service charge is proposed because a large portion of the business is of a seasonal character.

The application alleges that the Board of Supervisors of Los Angeles County did, under date of February 17, 1930, grant to the Southern Counties Gas Company of California, by Ordinance No. 1797 (New Series) a franchise to construct, install, and for a period of forty years thereafter, maintain, repair and operate a pipeline for the transportation of gas along and across certain public highways in the County of Los Angeles, State of California.

After due consideration, we conclude from the record herein that public convenience and necessity now require, and will require, the exercise by applicant of the rights and privileges granted under the franchise hereinbefore described.

O R D E R

A public hearing having been held on the above entitled application, the matter having been duly submitted, and the Commission being now fully advised,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity now require, and will require, the exercise by applicant, Southern Counties Gas Company of California, a corporation, of the franchise rights granted by the County of Los Angeles, under Ordinance No. 1797 (New Series), and the construction by applicant of plants and systems for the purpose of supplying gas to the residents within that portion of Los Angeles County lying within Ranges Seventeen (17), Eighteen (18), Nineteen (19), and Twenty (20) West, and South of a line through the center of Sections Fifteen (15) and Sixteen (16), Range Seventeen (17) West, Township One (1) North, San Bernardino Base and Meridian, and

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be, and the same hereby is granted to Southern Counties Gas Company of California, a corporation, authorizing the exercise of the franchise rights as heretofore granted by the County of Los Angeles under Ordinance No. 1797 (New Series), and the construction by applicant of plants and systems for the purpose of supplying gas to the residents within that portion of Los Angeles County lying within Ranges Seventeen (17), Eighteen (18), Nineteen (19), and Twenty (20) West, and South of a line through the center of Sections Fifteen (15) and Sixteen (16), Range Seventeen (17) West, Township One (1) North, San Bernardino Base and Meridian, as shown in yellow color on a map marked "Exhibit B", as attached to and forming a part of the application herein.

The above certification and authorization are subject to the following conditions, and not otherwise:

1. That applicant shall file, on or before August 31, 1930, a stipulation duly executed upon the authority of its Board of Directors, that applicant, its successors or assigns, will never claim before the Railroad Commission or any other body or court, a value for such franchise in excess of the actual cost thereof.
2. That applicant shall file with this Commission, on or before August 31, 1930, copies of all contracts under which applicant will receive or purchase the liquid gas which it proposes to use in this service.
3. That applicant shall file with this Commission, and apply to all billings for gas in the territory covered by this order, the following initial rates for domestic, commercial and general gas service:

Service Charge per Meter per Month . . . . . \$1.25

Commodity Charge to be added to Service Charge:

First 100 lbs. per meter per month	.....	.04	per lb.
Next 400 lbs. per meter per month	.....	.03	" "
All over 500 lbs. per meter per month	.....	.02 $\frac{1}{2}$	" "

Minimum Charge: In case of seasonal service to summer cabins, minimum service charge will be \$7.50 per year.

4. That applicant shall, on or before December 31, 1930 begin the service of gas to residents within the communities herein authorized.
5. That the authorization herein granted shall apply to the two installations described in the foregoing opinion, and upon written request from Southern Counties Gas Company of California, this Commission will issue its supplemental order authorizing the installation of additional plants.

IT IS HEREBY FURTHER ORDERED that the Railroad Commission may hereafter, by appropriate proceedings and orders, revoke or limit, as to territory not then served by Southern Counties Gas Company of California the authority herein granted.

The authority herein granted, except as otherwise provided, shall be effective from and after the date of this order.

For all other purposes, the effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 25<sup>th</sup>  
day of July, 1930.

*Ch. Deaver*  
*W. H. ...*  
*W. H. ...*

COMMISSIONERS