

LEM

Decision No. 23033.

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
SAN DIEGO CONSOLIDATED GAS )  
AND ELECTRIC COMPANY, )  
a corporation, declaring that public ) Application No. 16789  
convenience and necessity require the )  
exercise by applicant of franchise )  
rights in San Diego County, California.)

Chickering and Gregory, by Allen L. Chickering  
and W. C. Fox, for San Diego Consolidated  
Gas and Electric Company.

Paul Overton and W. C. Kennedy, for South  
Coast Gas Company.

BY THE COMMISSION:

O P I N I O N

The Commission is asked to enter its order finding and declaring that public convenience and necessity require applicant to exercise the rights granted by Ordinance No. 347 of the County of San Diego and authorizing applicant to extend its gas service to the territory set forth in exhibit number four.

It is of record that the Board of Supervisors of the County of San Diego, under date of December 9, 1929, granted to San Diego Consolidated Gas and Electric Company through Ordinance No. 347, a franchise to lay, construct, operate, maintain, use, repair, replace and/or remove gas pipe lines in so many and in such parts of the public highways, streets and roads in the County of San Diego, as said San Diego Consolidated Gas and Electric Company may elect to use for the purpose of using such gas pipe lines for the purpose

of transmitting, conveying, distributing and supplying natural and/or artificial gas to the public for light, heat, power and all lawful purposes, together with the right to transport natural and/or artificial gas in and through such pipe lines so constructed outside of the boundaries of any incorporated municipality within said county.

The ordinance specifies the terms and conditions under which the franchise is granted.

It is of record that if San Diego Consolidated Gas and Electric Company acquires the properties of South Coast Gas Company, the transfer of which properties is the subject matter of Application No. 16918, it will construct a gas transmission line from La Jolla to Carlsbad, a distance of about 25.8 miles. Exhibit No. 4 shows that such line will pass through Seven Points; Del Mar, Solana Beach, Cardiff, Encinitas, North Encinitas, La Costa and to Carlsbad, where it will connect with a pipe line of the South Coast Gas Company. The proposed line will be six inches in diameter from La Jolla to Seven Points and four inches in diameter from Seven Points to Carlsbad. The cost of the transmission line and distribution system which applicant intends to install is estimated at \$256,568.00. It is estimated that during the first year of operation the line will serve 976 consumers, of whom 600 will be in Oceanside and Carlsbad and 376 south of Carlsbad. The gross revenue is estimated at \$62,792.00 and the expenses at \$38,290.00. It should be recalled, however, that the reported cost does not include the price which applicant has agreed to pay for the properties of the South Coast Gas Company.

The rates which applicant proposes to charge appear in exhibit number four.

No one appeared to protest the granting of the application except that Mr. Paul Overton stated, during the course of the hearing, that in the event Application No. 16918 is denied, South Coast Gas Company would ask that this matter be re-opened and South Coast Gas Company heard with respect to the granting of this application.

Ordinance No. 347 authorizes applicant to use such parts of the public highways, streets and roads of the County of San Diego as applicant may elect to use for the purpose of laying, constructing, operating, maintaining, using, repairing, replacing and/or removing gas pipe lines to transmit, convey, distribute and supply natural and/or artificial gas to the public for light, heat, power and all lawful purposes. Applicant asks that the Commission issue its order that public convenience and necessity require applicant to exercise the rights granted by said franchise. There is nothing in the record to show that public convenience and necessity require applicant to exercise the rights granted by said ordinance number 347, except as to such rights as relate to said public highways, streets and roads in which applicant now has gas pipe lines installed, as shown in exhibit number three, or in and through the territory described in exhibit number four, and the testimony in connection with said exhibits.

#### ORDER

San Diego Consolidated Gas and Electric Company having asked permission to exercise certain franchise rights and to extend its gas service to the territory set forth in this application, a public hearing having been held before Examiner Fankhauser and the Commission being of the opinion that this application should be granted to the extent indicated in this order, therefore,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY FINDS AND DECLARES that public convenience and necessity require the exercise by San Diego Consolidated Gas and Electric Company of the rights granted by Ordinance No. 347 of the County of San Diego adopted December 9, 1929, to the extent necessary to lay, construct, operate,

maintain, use, repair, replace and/or remove gas pipe lines in the territory now served by said San Diego Consolidated Gas and Electric Company, as shown in exhibits numbers two and three, and in the territory proposed to be served, as shown in exhibit number four and in testimony relating to said exhibits, for the purpose of transmitting, conveying, distributing and supplying natural and/or artificial gas to the public for light, heat, power and all other lawful purposes, provided that San Diego Consolidated Gas and Electric Company shall first have filed with the Railroad Commission a stipulation duly authorized by its Board of Directors declaring that San Diego Consolidated Gas and Electric Company, its successors and assigns, will never claim before the Railroad Commission, or any court or public body, a value for such rights in excess of the amount actually paid to the grantor as the consideration for the granting of such rights, which amount shall be set forth in the stipulation, and shall have received from the Railroad Commission a supplemental order declaring that such stipulation has been filed in <sup>a</sup>manner satisfactory to the Railroad Commission.

IT IS HEREBY ORDERED that San Diego Consolidated Gas and Electric Company be, and it is hereby, authorized to extend its gas service and to serve the territory described in exhibit number four and in the testimony relating to such exhibit.

IT IS HEREBY FURTHER ORDERED that the certificate and authority herein granted will become effective when the

Commission has entered a supplemental order declaring that San Diego Consolidated Gas and Electric Company has filed in satisfactory form the aforesaid stipulation.

DATED at San Francisco, California, this 3<sup>rd</sup>  
day of November, 1930.

Clarence  
Edwards  
Leonard  
W. A. Lee  
Commissioners.