

Decision No. _____

ORIGINAL

Decision No. 5358

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Application of :
MIDWAY GAS COMPANY for an order pre- :
liminary to the issuance of a cer- : Application
tificate of public convenience and : No. 3537
necessity relative to the exercise :
of rights of franchise not yet secured.:

R. E. Matteson, for Midway Gas Company.
O'Melveny, Milliken & Tuller, by R. B.
Reppy, for Southern California Gas
Company.
Paul Overton, for Los Angeles Gas &
Electric Corporation.

EDGERTON, Commissioner:

O P I N I O N

Midway Gas Company applies for an order preliminary to the issuance of a certificate that public convenience and necessity will require that it exercise rights and privileges under a certain franchise to be obtained from the County of Los Angeles for the transmission and distribution of gas for light, heat and industrial purposes within a certain definite portion of Los Angeles County.

Applicant states that it is negotiating for the purchase of casing head gas in different portions of Los Angeles County which if obtained will result in the saving and conservation of all gas purchased and in the conservation of fuel oil; that it has applied to the Board of Supervisors of the County of Los Angeles for a franchise, a copy of which proposed franchise is attached to the application, marked Exhibit A.

The proposed franchise which had not been purchased at the time of the hearing, grants to the purchaser the right to transmit and distribute gas for light, heat and industrial purposes for a period of forty years throughout that portion of the County of Los Angeles described as follows:

"Beginning at the intersection of the high water mark of that part of the Pacific Ocean known as San Pedro Bay with the boundary line between Los Angeles and Orange Counties; thence following the easterly boundary line of Los Angeles County, northerly and easterly to its intersection with the southerly boundary line of the Angeles National Forest Reserve; thence following the courses of the said southerly boundary line of the Angeles National Forest Reserve in a general westerly direction to its intersection with the range line between Ranges 12 and 13 West; thence southerly along the said Range line between Ranges 12 and 13 W., to its intersection with the southerly line of the Bairdstown Addition to Los Angeles City, as said addition was annexed to the City of Los Angeles, June 10, 1915; thence westerly and southerly along the said boundary line of the City of Los Angeles to its intersection with the high

water mark of that part of the Pacific Ocean known as San Pedro Bay; thence following the said high water mark of the Pacific Ocean in a generally easterly direction to the point of beginning.

Excepting therefrom any portions of said territory now within the limits of any incorporated city."

Under the terms of this franchise, applicant obligates itself to serve consumers for industrial and domestic purposes along the lines which it may hereafter construct under the franchise.

The territory covered by the franchise is partly served with gas by Southern Counties Gas Company, Los Angeles Gas and Electric Corporation and Southern California Gas Company which distribute gas for domestic and commercial purposes.

Los Angeles Gas and Electric Corporation and Southern Counties Gas Company opposed the granting of a certificate of public convenience and necessity to Midway Gas Company for the distribution and sale of gas generally throughout the territory covered by the franchise on the ground that they were already serving a large portion of that territory.

Midway Gas Company desires the right to transmit gas for sale and delivery to other gas corporations and following the hearing in

this application the attorneys for the opposing companies agreed that if the rights of Midway Gas Company under the certificate requested were limited by the following clause that they would not oppose the granting of a certificate of public convenience and necessity:

"This order is made upon the condition that until further order of the Commission, the right and privilege under said franchise shall be exercised only to the extent of carrying through the system of gas pipes and pipe-lines and appliances to be constructed gas for delivery and sale within the territory covered by said franchise to other public utility corporations furnishing and distributing gas to domestic and industrial consumer."

This condition was stated as agreeable to applicant.

I believe under the circumstances that public convenience and necessity will require the exercise by Midway Gas Company of certain rights and privileges under a franchise similar to that set forth in Exhibit A of this application.

I recommend the following form of Order:

O R D E R

Midway Gas Company having applied for an order of the Railroad Commission preliminary to the issuance of a certificate that public

convenience and necessity will require the exercise by it of rights and privileges under a certain franchise to be obtained from the County of Los Angeles and a hearing having been held and the matter being submitted and ready for decision,

THE RAILROAD COMMISSION HEREBY DECLARES that hereafter upon application of Midway Gas Company made after said company has obtained a franchise from the County of Los Angeles, which franchise is generally described in the foregoing opinion, it will, under such rules and regulations as the Railroad Commission may prescribe, issue an order declaring that public convenience and necessity require the exercise by Midway Gas Company of the rights and privileges granted in said franchise under the conditions as set forth in the opinion preceding this order and under such other terms and conditions as the Railroad Commission may at that time designate.

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 30th day of April, 1918.

Marj Stearns
H. D. [unclear]
Edwin O. Edgerton
Commissioners.