

Decision No. 31572

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 Au-
thority to Exercise the Franchise
acquired from the City of Ontario
by Ordinance No. 629.

ORIGINAL

APPLICATION NO. 22298.

Le Roy M. Edwards, for Applicant.

RILEY, COMMISSIONER:

O P I N I O N

Southern Counties Gas Company of California requests a certificate of public convenience and necessity under Section 50(b) of the Public Utilities Act, authorizing the exercise of rights and privileges under the gas franchise granted to it by Ordinance No. 629 of the City Council of the City of Ontario, adopted October 3, 1938, a copy of which is attached as Exhibit "A" to the application. Said franchise is for an indeterminate period, adopted pursuant to the Franchise Act of 1937.

Public hearing was held at Ontario, California, on November 30, 1938. No one appeared to protest the granting of the application.

According to the testimony introduced on behalf of the applicant, applicant has been rendering service to the City of Ontario for approximately fifteen years, pursuant to

a franchise granted to the Ontario-Uplands Gas Company by the City of Ontario as of March 2, 1909, by Ordinance No. 190, which franchise was acquired by the Southern Counties Gas Company through purchase of the Ontario-Uplands Gas Company. This franchise was for a period of fifty years and contained a clause providing that the work of laying pipes under said franchise should be completed within three years from the effective date of the Franchise Ordinance. Such provision raises a legal question as to whether the applicant is entitled to continue to lay pipe lines under said franchise after the expiration of said initial three-year period. In view of this condition, applicant deemed it advisable to obtain a new franchise. Applicant further states that it has adopted a policy of substituting new franchises, where possible, having expiration dates later than the maturity dates of its bonds, which is advantageous to the company with respect to the sale of its bonds in some states.

Applicant now renders gas service in substantially all parts of the City of Ontario, and no other utility renders like service therein.

Applicant has stipulated that it, its successors or assigns, will never claim before the Railroad Commission of the State of California, or any court or public body, any value for said franchise in excess of the actual cost thereof, which is \$34.50, excluding the \$50.00 fee for filing of the present application.

O R D E R

IT IS FOUND AS A FACT that public convenience and necessity require, and Southern Counties Gas Company of California is hereby granted a certificate to exercise the rights and privileges granted to it by Ordinance No. 629 of the City of Ontario.

This order shall be effective immediately.

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, San Francisco, California, December 19, 1938.

Raymond A. Smith

Lion Wheeler

Frank R. Allen

