

Decision No. 40280

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA GAS COMPANY, a corporation, and SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA, a corporation, under Section 50 (b) of the Public Utilities Act of the State of California, as amended, for a certificate that public convenience and necessity require the exercise of the rights and privileges granted by Ordinance Nos. 175 of the City of Lynwood, 212 of the City of South Gate, 293 of the City of Compton, and 70022 of the City of Los Angeles.

Application No. 28250

ORIGINAL

In the Matter of the Application of SOUTHERN CALIFORNIA GAS COMPANY, a corporation, and SOUTHERN COUNTIES GAS COMPANY OF CALIFORNIA, a corporation, under Section 50 (b) of the Public Utilities Act of the State of California, as amended, for a certificate that public convenience and necessity require the exercise of the rights and privileges granted by Ordinance No. 1963 (New Series) and Ordinance No. 2011 (New Series) of the County of Los Angeles.

Application No. 28361

T. J. Reynolds, L. T. Rice and Milford Springer by Milford Springer for Southern California Gas Company; LeRoy M. Edwards, L. T. Rice and Milford Springer by Milford Springer for Southern Counties Gas Company of California.

O P I N I O N

In these applications Southern California Gas Company and Southern Counties Gas Company of California jointly seek authority to exercise certain franchises granted by the Cities of Lynwood, South Gate, Compton, and Los Angeles and by the County of Los Angeles. Copies of the franchises are attached to the applications as exhibits.

Each franchise was granted in 1931 to Southern Fuel Company, a predecessor of Pacific Lighting Corporation, for the construction and operation of a 26-inch gas transmission line. Applicants have obtained said franchises by assignment from Pacific Lighting Corporation, and where required have obtained consents to such assignments from the cities and from the county.

The gas line covered by the franchises extends from Glendale to Long Beach. It has been acquired by Applicants as tenants in common with a three-quarters interest vested in Southern California Gas Company and a one-quarter interest in Southern Counties Gas Company of California. It is intended by Applicants to utilize the acquired pipe line as a gas distribution feeder main to facilitate the delivery of large volumes of gas to all parts of their respective service areas. They pointed out that, with the completion of their jointly-owned transmission line between Blythe and Santa Fe Springs for the receipt of gas from out-of-state sources, they will have particular need for the added distribution facilities afforded by the recently acquired line.

Inasmuch as certificates have not heretofore been issued by this Commission permitting the exercise of the several franchises granted for the maintenance and operation of such gas line for a public utility service, and as it will now be devoted by Applicants to public utility uses, they ask the Commission for an order in accordance with Section 50 (b) of the Public Utilities Act declaring that public convenience and necessity require that they exercise the rights and privileges thereby conferred.

Each of the franchises, other than those granted by the City of Los Angeles and the County of Los Angeles provide for the payment of an annual fee equivalent to 2% of the gross receipts arising from the use, operation, and possession thereof. That of the City of Los Angeles provides for an annual payment equivalent to 15 cents per lineal foot of pipe installed and those of the county provide for an annual payment of \$100 per mile of pipe installed. The terms of these franchises are from 21 to 40 years.

At the public hearing on Application No. 28250 held on April 4, 1947, evidence was presented by Applicants with respect to each of the franchises acquired, although the County of Los Angeles had not then passed ordinances consenting to the proposed assignments. Copies of such consent ordinances have since been filed in Application No. 28361. Accordingly, no further hearing upon the latter application is required.

Applicants have filed stipulations to the effect that, in consideration of the granting of the requested authority, neither they nor their successors or assigns will ever claim before this Commission or any court or other public body a value for these franchises and authority to exercise the same in excess of the actual cost thereof.

After considering the facts set forth above, the Commission is of the opinion that the requested authority should be given. The authority herein given shall be subject to the following provisions of law:

That the Commission shall have no power to authorize the capitalization of the franchises involved herein or this certificate of public convenience and necessity or the right to own, operate or enjoy such franchises or certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the state or to a political subdivision thereof as the consideration for the grant of such franchises, certificate of public convenience and necessity or right.

ORDER

The above entitled applications of Southern California Gas Company and Southern Counties Gas Company of California having been considered, it appearing to the Commission and being found as a fact that public convenience and necessity so require,

IT IS ORDERED that Southern California Gas Company and Southern Counties Gas Company of California be and hereby are authorized to exercise the rights and privileges granted as follows:

<u>Grantor</u>	<u>Ordinance No.</u>	<u>Date Adopted</u>
1. City of Lynwood	175	August 4, 1931
2. City of South Gate	212	May 19, 1931
3. City of Compton	293	August 4, 1931
4. City of Los Angeles	70022	July 24, 1931
5. County of Los Angeles	1963 (New Series)	July 27, 1931
6. " " " "	2011 (" ")	November 16, 1931

The effective date of this Order shall be the date hereof.

Dated at San Francisco, California, this 20th day of May, 1947.

Harold A. Viles
Justin J. Cooper
W. H. Fawcett
A. J. Anderson
Penelope Patten
Commissioners.