

GES:mp

Decision No. 41706

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of )  
SOUTHERN CALIFORNIA GAS COMPANY, a )  
corporation, for an order authorizing )  
it to construct and operate an ex- )  
tension of its system to supply natural )  
gas service to the Imperial Valley )  
District. )

APPLICATION NO. 29290

In the matter of the application of )  
SOUTHERN CALIFORNIA GAS COMPANY, a )  
corporation, under Section 50(b) of )  
the Public Utilities Act for a cer- )  
tificate that public convenience and )  
necessity require the exercise of )  
the rights and privileges granted by )  
Ordinance No. 198 of the City of )  
Holtville, California )

APPLICATION NO. 29309

In the matter of the application of )  
SOUTHERN CALIFORNIA GAS COMPANY, a )  
corporation, under Section 50(b) of )  
the Public Utilities Act for a cer- )  
tificate that public convenience and )  
necessity require the exercise of )  
the rights and privileges granted by )  
Ordinance No. 109 of the City of )  
Calipatria, California. )

APPLICATION NO. 29310

In the matter of the application of )  
SOUTHERN CALIFORNIA GAS COMPANY, a )  
corporation, under Section 50(b) of )  
the Public Utilities Act for a cer- )  
tificate that public convenience and )  
necessity require the exercise of )  
the rights and privileges granted )  
by Ordinance No. 182 of the County )  
of Imperial, State of California. )

APPLICATION NO. 29311

In the matter of the application of )  
SOUTHERN CALIFORNIA GAS COMPANY, a )  
corporation, under Section 50(b) of )  
the Public Utilities Act for a cer- )  
tificate that public convenience and )  
necessity require the exercise of )  
the rights and privileges granted )  
by Ordinance No. 308 of the City of )  
Imperial, California. )

APPLICATION NO. 29312

Appearances

- T. J. Reynolds and MILFORD SPRINGER, by MILFORD SPRINGER, for Southern California Gas Company, applicant.
- O. G. KILLINGSWORTH, Chief of Police, City of Westmoreland.
- JAMES M. MONROE, Superintendent of Schools, Westmoreland, California.
- E. H. CAIN, Member of the Chamber of Commerce, for the City of Westmoreland, interested party.
- D. B. ROBERTS, City Attorney of Westmoreland, for the Cities of Westmoreland, Holtville and Calipatria, interested parties.
- C. C. CASEY, City Clerk, City of Brawley, for the City of Brawley, interested party.
- L. McINTOSH, Member of the City Council of the City of Imperial, for the City of Imperial, interested party.
- GEORGE HARRIS, Member of the City Council of El Centro for the City of El Centro, interested party.

O P I N I O N

Southern California Gas Company, a California corporation, requests: (1) a certificate of public convenience and necessity under Section 50(a) of the Public Utilities Act authorizing the construction of a natural gas transmission line commencing at a point on the so-called Texas Pipeline near Desert Center and extending south to Calexico, a distance of about 73 miles, for the purpose of providing a natural gas service to the cities and communities of Niland, Calipatria, Westmoreland, Imperial, Holtville, Heber, El Centro, Calexico, Brawley, and points in Imperial County in connection therewith; (2) certificates of public convenience and necessity under Section 50(b) of the Public Utilities Act authorizing the exercise of franchises granted by the incorporated cities of

Holtville, Calipatria, Imperial, Westmoreland, and the County of Imperial; (3) authorization to make extensions to the proposed distribution systems free from the provisions of the Company's Rule 20 for a period of three years.

All of these applications were consolidated for hearing, and public hearing was held at El Centro on May 27, 1948 before Examiners Thompson and Syphers, at which time evidence was adduced and the matters submitted. There was no opposition presented to the foregoing proposals, all appearances being in support of these applications.

The Southern California Gas Company is presently providing gas service to over a million customers throughout Southern California, and specifically is now serving liquefied petroleum gas in the Cities of El Centro, Brawley and Calexico. In this connection, the existing distribution systems are proposed to be used for the distribution of natural gas in these three cities.

Applicant company is now receiving natural gas from Texas through its transmission line from Blythe, which line runs through Desert Center. The instant applications propose tapping this line at Desert Center, and constructing a pipeline consisting of approximately 38 miles of eight-inch pipe running south from Desert Center to a point near Calipatria; 13½ miles of ten-inch pipe to a point south of Brawley, 4½ miles of sixteen-inch pipe and 7½ miles of eight-inch pipe to El Centro; 4 miles of six-inch pipe to Heber; 6 miles of four-inch pipe to Calexico.

Under the proposal, lateral connections from this line will be made as needed. The purpose of the 4½ miles of sixteen-inch pipe running south from Brawley is to provide storage capacity

which may be used during peak-hour demands. Testimony was presented by an official of the applicant company to the effect that all of the pipe necessary to install the afore-described pipeline is either now in the possession of the company or on order.

Further testimony indicated that this pipeline was of sufficient capacity to provide for the existing needs of the area as determined by a survey made by applicant company, and also to provide for any foreseeable expansion.

It is contemplated that work will start on the transmission line about September 1 and be completed by the end of November 1948. The necessary distribution systems will be constructed concurrently and be completed as required.

In connection with the installation of the proposed gas transmission line and distribution systems, the testimony indicated that applicant company is presently operating in the Cities of El Centro, Calexico and Brawley in the distribution of liquefied petroleum gases. Authorization is here sought to convert the existing systems in these three cities so that they may be used in the distribution of natural gas. As the proposed service in the other cities and communities above-mentioned will be an initial service, applicant company has obtained franchises from the Cities of Holtville, Calipatria and Imperial, and from the County of Imperial. In addition, an application has been filed with the City of Westmoreland for a franchise which had not been obtained at the date of the hearing, but for which approval was expected within thirty days. It was stipulated at the hearing that any approval to provide service to the City of Westmoreland would be contingent upon the obtaining of this franchise.

Applicant witnesses testified that, while Westmoreland was a somewhat sparsely settled community, it was their intention to institute service to that city if and when applications for service equaled approximately 50% of the potential customers as set out on Exhibit 10 introduced in the hearing.

There was testimony presented by applicant as to the advantages to be obtained from the installation of natural gas service. These advantages include lower rates to the consuming public than the existing rates of liquefied petroleum gas. Furthermore, there will be made available to industrial users a supply of natural gas at a cost less than the prevailing cost of fuel oil in the area.

Additional testimony was also introduced indicating that the estimated number of present potential residential customers for the entire area was 2,374 and nonresidential customers was 358. Applicant in its testimony presented estimates as to the total expected volume of gas sales and the corresponding revenue received therefrom during the first year. These sales are estimated to yield a gross revenue of approximately \$820,000 at the proposed rates. The testimony presented indicates that the revenue to be derived from the proposed operations will provide for all the costs of operation and a net return which will not burden the customers now served in the utility's existing service territory. We are not passing upon the reasonableness of the rates which will be applied.

The proposed services were supported by all of the appearances at the hearing, including officials of the cities involved, representatives of chambers of commerce and other bodies.

Applicant requests authority in all of these applications to provide the proposed service free from the limitations of extension

Rule and Regulation No. 20\*. Testimony concerning this matter was presented and indicated that due to the fact that this is a new service in the area, and due to the fact that certain of the communities are sparsely settled, it would not be practicable to comply with Rule 20. Under these conditions the testimony further indicated a deviation from Rule 20 would provide a more economical service in most instances. Under similar conditions this Commission previously has granted deviations from Rule 20 (in re Southern California Gas Company Decision No. 40880 dated November 4, 1947; in re Southern California Gas Company Decision No. 41188 dated February 3, 1948).

The certificates of public convenience herein granted are subject to the following provisions of law:

- (a) That the Commission shall have no power to authorize the capitalization of the franchises involved herein or these certificates of public convenience and necessity or the right to own, operate or enjoy such franchises or certificates of public convenience and necessity in excess of the amounts (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, certificates of public convenience and necessity or right.
- (b) That the franchises involved herein shall never be given any value before any court or other public authority in any proceeding of any character in excess of the cost to the grantee of the necessary publication and any other sum paid by it to the municipality therefor at the time of the acquisition thereof.

Upon this record and after consideration of all of the evidence presented herein, we are of the opinion and hereby find that

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\* Rule and Regulation No. 20, Gas Main Extensions, provides for extensions (1) to individual domestic customers, (2) into real estate subdivisions, and (3) to serve Commercial, Gas Engine and Industrial Equipment. The rule provides bases for determination of the free length of main; and when the length of the main extension is in excess of the free length the customer is required to advance to the utility the difference in costs of the main extension and the free extension allowance. The rule provides conditions under which the customer's advance may be subject to refund.

applicant is willing and able to establish and operate the proposed services and that the proposed deviation from Rule 20 is desirable.

O R D E R

Applications as above entitled, having been filed, a public hearing having been held thereon, the matter having been submitted, the Commission being fully advised in the premises and hereby finding that public convenience and necessity so require,

IT IS ORDERED:

(1) That a certificate of public convenience and necessity be, and it hereby is, granted to Southern California Gas Company to install a gas transmission line from a point near Desert Center to Calexico, and consisting of approximately 45½ miles of eight-inch pipe, 13½ miles of ten-inch pipe, 4½ miles of sixteen-inch pipe, 4 miles of six-inch pipe, and 6 miles of four-inch pipe, together with the necessary branch lines therefrom to reach the cities and communities of Niland, Calipatria, Westmoreland, Brawley, Imperial, El Centro, Holtville, Heber, Calexico, as well as unincorporated areas along the routes traversed.

(2) That a certificate of public convenience and necessity be, and it hereby is, granted to Southern California Gas Company to exercise the rights and privileges granted by the City of Holtville by Ordinance No. 198, adopted January 28, 1948.

(3) That a certificate of public convenience and necessity be, and it hereby is, granted to Southern California Gas Company to exercise the rights and privileges granted by the City of Calipatria by Ordinance No. 109, adopted March 9, 1948.

(4) That a certificate of public convenience and necessity be, and it hereby is, granted to Southern California Gas Company to exercise

the rights and privileges granted by the City of Imperial by Ordinance No. 308, adopted March 10, 1948.

(5) That a certificate of public convenience and necessity be, and it hereby is, granted to Southern California Gas Company to exercise the rights and privileges granted by the County of Imperial by Ordinance No. 182, adopted March 1, 1948.

(6) That a certificate of public convenience and necessity be, and it hereby is, granted to Southern California Gas Company to render natural gas service to the City of Westmoreland subject to the adoption by that city, at a date not later than ninety days from the effective date of this order, of an ordinance granting an appropriate franchise to this company.

(7) That authority is hereby granted to Southern California Gas Company to convert the existing liquefied petroleum gas distribution systems in the cities of El Centro, Brawley and Calexico to the service of natural gas.

(8) That authority is hereby granted to Southern California Gas Company to deviate from its Rule and Regulation 20, Gas Main Extensions for a period of three years from the effective date of this order in the providing of service under the terms of this order.

The effective date of this order shall be twenty days from the date hereof.

Dated at Los Angeles, California, this 15th day of June, 1948.

J. E. [Signature]  
Justus D. [Signature]  
Harold P. [Signature]  
[Signature]  
(Commissioners)