

Decision No. 44858

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 No. 344 of the City  
of Banning, California.

Application No. 31557

T. J. Reynolds and Milford Springer,  
by Milford Springer for applicants.

O P I N I O N

Southern California Gas Company, hereinafter referred to as the California Company, and Southern Counties Gas Company of California, hereinafter referred to as Counties Company, in this joint application ask for a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the City of Banning, permitting the installation, maintenance, and use of a gas pipe line in a limited portion of the city, as more particularly set forth in Ordinance No. 344, a copy of which is attached to and made a part of the application and designated as Exhibit "A."

This franchise was granted by the City in accordance with the Broughton Act and is for a term of 50 years. A fee is payable annually to the City after the first five years equivalent to 2% of the gross receipts arising from the use, operation, or possession of the franchise.

The costs incurred by applicants in obtaining the franchise are stated to have been \$604.25, which includes the \$50 filing fee and the \$4.37 expense of publication of notice of hearing.

A public hearing on this application was held by Examiner Crenshaw on September 20, 1950, at which no objection to the granting of the requested certificate was manifested.

According to the record, the California Company has a franchise and now operates the gas distribution system in the City of Banning. However, as this is outside of the Counties Company's territory, it does not have a franchise in this city.

In the present application, applicants, as tenants in common, with an undivided three-fourths (3/4) interest in California Company and an undivided one-fourth (1/4) interest in Counties Company, have constructed and are operating a 30-inch diameter loop pipe line from the Whitewater Regulating Station to the Puente Regulating Station which was installed to increase the capacity of the so-called Texas-Los Angeles pipe line.

The new franchise was obtained from the City of Banning for the purpose of keeping this joint venture separate and apart from the present operations of either the California Company or the Counties Company. Since the California Company is serving gas in the City of Banning, the new pipe line contemplated in this application is primarily to be used by applicants for transporting gas through the city.

As the installation of this pipe line is to reinforce the gas supply of applicants, it is evident from the record that the certificate applied for should be granted.

The certificate of public convenience and necessity herein granted is subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of the franchise involved herein or this certificate of public convenience and necessity or the right to own, operate or enjoy such franchise 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 franchise, certificate of public convenience and necessity or right.

O R D E R

Application 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 HEREBY ORDERED that a certificate of public convenience and necessity is hereby granted to Southern California Gas Company and Southern Counties Gas Company of California to exercise the rights and privileges granted by the City of Banning by Ordinance No. 344, adopted April 25, 1950, as limited therein.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 3<sup>rd</sup> day of October, 1950.

R. E. Indurana  
Justice J. Casper  
Robert J. Lawrence  
Harold F. Hill  
Kenneth H. Patton  
Commissioners.