

ORIGINAL

Decision No. 44921

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 SOUTHERN COUNTIES GAS COMPANY OF
 CALIFORNIA under Section 50(b) of the
 Public Utilities Act for a certificate
 that public convenience and necessity
 require the exercise of the rights and
 privileges granted by Ordinance No. 2421
 of the City of Glendale, California.

Application No. 31658.

Milford Springer, for applicant.

O P I N I O N

Southern Counties Gas Company asks for a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the City of Glendale, permitting the operation and maintenance of a large-diameter gas pipe line in a limited portion of the city, as more particularly set forth in Ordinance No. 2421, 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 on June 22, 1950, and became effective on July 22, 1950. It is for a term of 25 years. Applicant is required to pay a fee amounting to 2% of its gross annual receipts arising from the use of the franchise (computed under the Dinuba formula), but not less than \$225 per year per mile of main maintained under this franchise. It replaces a franchise from the City of Glendale, Ordinance No. 1059, which became effective May 9, 1925, and expired on May 9, 1950.

The costs incurred by applicant in obtaining the franchise are stated to have been \$718.94, which includes the advertising costs

incurred by the City of Glendale amounting to \$563.06, the bid for the franchise of \$100, the filing fee of \$50, and the \$5.88 expense of publication of the notice of hearing.

A public hearing on this application was held before Examiner Warner in Los Angeles, on October 3, 1950, at which no objection to the granting of the requested certificate was entered by any party.

The franchise granted by the City of Glendale covers the operation and maintenance of a 12-3/4-inch main through the City of Glendale along the streets more particularly delineated on the map filed at the hearing with Exhibit No. 1. This line transmits gas from Santa Barbara and Ventura Counties to a main installed by Southern California Gas Company, which main in turn connects to a main installed by Southern Counties Gas Company in the eastern part of Los Angeles. This pipe was installed in 1925, and has an estimated physical life of 50 years, which estimated life parallels the duration of the franchise which will expire in 1975.

The transmission line transports gas from the Ventura County fields to the Los Angeles Basin Area. The record shows that, if this main could not be continued in its present location, it would be necessary to install a main around the City of Glendale at considerable cost.

Actual payments for the year ending December 31, 1949, under City of Glendale Franchise Ordinance No. 1059, amounted to \$226.23. The minimum charge at \$225 per mile will amount to \$648, based on 1949 operations and mileage of 2.88 miles. Applicant's witness testified that applicant is experiencing substantially larger annual franchise payment requirements in Southern California cities, and that the increased payment effected by the franchise being considered herein is not out of line with present fees.

It is evident from the record that the operation and maintenance of the 12-3/4-inch transmission line covered by the franchise is in the public interest, and 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 granted to Southern Counties Gas

Company of California to exercise the rights and privileges granted by the City of Glendale by Ordinance No. 2421, adopted April 22, 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 17th day of October, 1950.

R. Z. Indurana
Justin F. Green
Robert Lowell
Harold Hill
Francis Patten
Commissioners.