

Decision No. 44980

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 Suburban Utilities, a California
 corporation, for the issuance of a
 certificate of public convenience
 and necessity under Section 50 (c)
 of the Public Utilities Act cover-
 ing the operation of gas systems in
 Buellton and Solvang.

ORIGINAL

Application No. 31786

Oregon Smith and W. R. Sidenfaden, for
applicant; Oscar Sattenger, Milford
Springer, and Joseph Sodoma, for
Southern California Gas Company.

O P I N I O N

Suburban Utilities in this proceeding asks for a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the County of Santa Barbara, permitting the installation, maintenance, and use of a gas utility system upon the streets of Santa Barbara County within a radius of $2\frac{1}{2}$ miles from a point midway between the geographical centers of the communities of Buellton and Solvang.

The franchise referred to, a copy of which is attached to and made a part of the application, was granted by the county in accordance with the Broughton Act and is for a term of 30 years. A fee is payable to the county equivalent to 2% of the gross receipts arising from the use, operation or possession of the franchise.

The costs incurred by applicant in obtaining the franchise are stated to have been \$247, which includes the cost of publication of \$141, the bid for the franchise by applicant of \$50, the filing fee of \$50, and \$6 for the publication of notice of this hearing.

A public hearing on this application was held before Commissioner Huls and Examiner Crenshaw in Los Angeles, on October 26, 1950, at which no objection to the granting of the certificate was manifested.

In Applications Nos. 30903 and 30904, which were previously consolidated for hearing, Southern Counties Gas Company of California requested permission to sell, and Suburban Utilities asked for authority to issue stock and purchase the gas utility properties at Buellton and Solvang. The Commission in Decision No. 44279 granted the transfer of properties subject to certain conditions. Among these conditions, it was provided that Suburban Utilities was to obtain a franchise from the County of Santa Barbara and a certificate from this Commission authorizing the exercise of the rights and privileges granted by said franchise, which condition is being complied with in this application. Since Southern Counties Gas Company of California is supplying gas service in other portions of Santa Barbara County, the franchise under which it was rendering gas utility service in the county could not be transferred to Suburban Utilities; therefore, it was necessary to obtain a separate limited franchise within the immediate vicinity of Buellton and Solvang.

It is evident that the certificate applied for should be granted so that the transfer of the properties as authorized in Decision No. 44279 may be completed.

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 Suburban Utilities to exercise the rights and privileges granted by the Board of Supervisors of Santa Barbara County by Ordinance No. 647, adopted June 26, 1950.

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

Dated at San Francisco, California, this 8th day of November, 1950.

A. E. Anderson
Justice F. Cramer
Dr. H. L. Brownell
Harold A. Hills
Herbert H. Potter
 Commissioners.