

ORIGINAL

Decision No. 46514

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SOUTHERN CALIFORNIA GAS COMPANY, a
corporation, under Section 50(b) of
the Public Utilities Act of the State
of California, for a certificate that
public convenience and necessity re-
quire the exercise of the rights and
privileges granted by Ordinance No.
465 of the County of Ventura

Application No. 32696

Harry P. Letton, Jr. for applicant.

O P I N I O N

Southern California Gas Company in this application seeks authority to exercise a franchise granted by the County of Ventura, permitting the installation, maintenance and use of a system of pipe lines not to exceed 22 inches in internal diameter each, as more particularly set forth in Ordinance No. 465, 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 County in accordance with the Broughton Act and is for a term of 40 years. A fee is payable annually to the County equivalent to 2% of the gross receipts arising from the use, operation, or possession of the franchise. Such payment was estimated to be \$115.11 based upon the operations for the year 1950.

It is further provided that if said 2% of gross annual receipts does not equal a sum equivalent to \$5.00 per mile for each two inches of internal diameter of each mile of pipe line installed under this franchise, then in that event, in addition to

said 2% of gross annual receipts, applicant shall pay such additional sum as is necessary in order to meet this minimum annual payment. The minimum annual payment for this 22-inch pipe is estimated to be \$137.14.

The costs incurred by applicant in obtaining the franchise granted by Ordinance No. 465 of the County of Ventura, which was adopted June 26, 1951, and became effective July 27, 1951, were \$423.42. This amount includes the \$50.00 filing fee, \$100.00 bid cost, and \$5.94 for publication of notice of hearing, the balance covering the advertising of notice of sale and the publishing of Ordinance No. 465.

A public hearing on this application was held in Los Angeles by Commissioner Huls and Examiner Crenshaw on October 24, 1951, at which no objection to the granting of the requested certificate was manifested.

Applicant stated that in order to increase the deliverability of gas from La Goleta to Los Angeles, 17 miles of line from Lindley Avenue to Simi Valve have already been looped. In order to further increase deliverability an additional 22 miles of 22-inch pipe from Simi Valve to the Santa Clara River at Satcoy will be installed by applicant. These loops are considered necessary in order to supply winter peak-day demand in the Los Angeles area. The total estimated cost of this project, as stated by applicant, is \$1,253,500.00.

According to the record the La Goleta underground storage field is used primarily as a large gas holder. During the summer-time, gas is injected into the field and stored until periods of peak demand during the winter when additional large volumes of gas are needed to take care of the peak-day firm demand. This loop pipe line is necessary to handle the maximum rates of withdrawal from the La Goleta storage field and to make such gas available for distribution within the Los Angeles area.

Applicant's present franchise in the County of Ventura provides for the installation of pipes not exceeding 18 inches in diameter. As the proposed pipe line is 22 inches in diameter it was necessary to obtain a new franchise.

Since the Southern Counties Gas Company of California renders gas service in Ventura County, the requested certificate of public convenience and necessity should be limited to the ✓ transporting, wholesaling and exchanging of natural gas between the two utilities.

It is evident from the record in this proceeding that the certificate applied for by applicant under Section 1001 of the Public Utilities Code of the State of California should be granted.

The certificate of public convenience and necessity herein granted is subject to the following provisions 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 and the Commission being fully advised in the premises,

IT IS HEREBY FOUND AS A FACT that public convenience and necessity require the exercise by applicant of the right, privilege and franchise granted to Southern California Gas Company by Ordinance No. 465 of the Board of Supervisors of Ventura County, therefore

IT IS HEREBY ORDERED that Southern California Gas Company be and it is granted a certificate that public convenience and necessity require the exercise by it of the right, privilege and franchise granted to it by Ordinance No. 465, adopted June 26, 1951 by the Board of Supervisors of Ventura County, subject to the following conditions and not otherwise:

1. That Southern California Gas Company shall not use this certificate for the distribution of gas in Ventura County without first having obtained the approval of this Commission;
2. That the Commission hereafter, by appropriate proceedings and order, may limit the authority herein granted to applicant as to any territory within said county not then being served by it.

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

Dated at San Francisco, California, this 11th day of December, 1951.

A. J. [Signature]
President.
Justus F. [Signature]
Harold [Signature]
[Signature]
[Signature]
Commissioners.