

ORIGINAL

Decision No. 48362

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SOUTHERN CALIFORNIA GAS COMPANY, a)
 corporation, under Sections 1002 and)
 1005 of the Public Utilities Code,)
 for a certificate that public con-)
 venience and necessity require the)
 exercise of the rights and privileges)
 granted by Ordinance No. 411 of the)
 City of El Segundo, California.)

Application No. 33928

T. J. Reynolds and Harry P. Letton, Jr.,
 by Harry P. Letton, Jr., for applicant.

O P I N I O N

Southern California Gas Company, by the above-entitled application filed December 4, 1952, seeks a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the City of El Segundo, Los Angeles County, by its Ordinance No. 411 adopted September 24, 1952, permitting the installation, maintenance, and use of a gas distribution and transmission system in the streets of said city. A public hearing was held before Commissioner Huls and Examiner Warner on March 6, 1953 at Los Angeles.

The franchise referred to, a copy of which is attached to the application and designated as Exhibit A, was granted by the City of El Segundo in accordance with the Franchise Act of 1937 and is of indeterminate duration.

The new franchise granted by Ordinance No. 411 supersedes a previous Broughton Act franchise granted by the City of El Segundo by its Ordinance No. 49 adopted February 19, 1919. Such previous franchise was for a term of 40 years and would expire in 1959.

The record shows that one of the primary reasons for applicant's obtaining an indeterminate franchise was that sales of applicant's bonds to prospective purchasers would be facilitated by the fact that applicant owned an indeterminate franchise rather than one which would expire before the life of the bonds.

Payments for the year 1952 to the City of El Segundo under former Ordinance No. 49 were \$2,060.60. Under Ordinance No. 411 they would have been \$4,061.84, which represents an increased annual cost of approximately \$2,000 based on 1952 adjusted gross receipts from sales of gas in the City of El Segundo.

The costs incurred by applicant in obtaining the franchise are stated to have been \$2,175.50, which amount does not include costs incident to this application.

No objection to the granting of the requested certificate was entered at the hearing. Furthermore, this utility or its predecessors for many years have served gas in and about the City of El Segundo without competition. As of December 31, 1952, it served approximately 3,000 customers within the city from approximately 32.78 miles of gas mains therein.

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

1. 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.
2. That the franchise 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.

ORDER

The above-entitled application having been filed, a public hearing having been held, the matter having been submitted and now being ready for decision,

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 applicant by Ordinance No. 411 of the City of El Segundo.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to Southern California Gas Company to exercise the rights and privileges granted by the City of El Segundo, Los Angeles County, by Ordinance No. 411 adopted September 24, 1952.

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

Dated at San Francisco, California, this 17th day of March, 1953.

R. F. [Signature]
President.

[Signature]

[Signature]

[Signature]
Commissioners.

[Signature]