

ORIGINALDecision No. 48263

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-) Application No. 33966
 venience and necessity require the)
 exercise of the rights and privileges)
 granted by Ordinance No. 581 of the)
 City of Lynwood, California.)

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 18, 1952, seeks a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the City of Lynwood, Los Angeles County, by its Ordinance No. 581 adopted November 5, 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 Lynwood in accordance with the Franchise Act of 1937 and is of indeterminate duration.

The new franchise granted by Ordinance No. 581 supersedes a portion of a Broughton Act franchise granted by the City of Lynwood to Southern Fuel Company by Ordinance No. 175 adopted August 4, 1931. Subsequently, the franchise granted by Ordinance No. 175 was assigned by Southern Fuel Company to Industrial Fuel

Supply Company which assigned the franchise to Pacific Lighting Corporation. On June 4, 1946 Pacific Lighting Corporation assigned the franchise to Southern California Gas Company and Southern Counties Gas Company of California as tenants in common with an undivided three-quarter interest in Southern California Gas Company and an undivided one-quarter interest in Southern Counties Gas Company of California. A certificate of public convenience and necessity was issued by this Commission to the last mentioned companies by Decision No. 40280 pursuant to Application No. 28250. The new franchise also supersedes those portions of franchises granted by the County of Los Angeles, Ordinances Nos. 332, 463, 467, 514 and 515, covering areas in the City of Lynwood.

It appears that one of applicant's purposes in securing a single indeterminate franchise in the City of Lynwood was to facilitate the sale of applicant's bonds to prospective purchasers by the owning of franchises which would not expire before the life of the bonds.

Payments for the year 1952 to the City of Lynwood under the former ordinances amounted to \$5,192.09. Under the new franchise they would have been \$5,654. This represents an annual increase of \$461.91 based on 1952 adjusted gross receipts from sales of gas in the City of Lynwood.

The costs incurred by applicant in obtaining the franchise are stated to have been \$70.21, 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 Lynwood without competition. As of December 31, 1952, it served approximately 9,200 customers within the city from approximately 64.37 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.

O R D E R

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. 581 of the City of Lynwood.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and is hereby granted to Southern California Gas Company to exercise the rights and privileges granted by the City of Lynwood, Los Angeles County by Ordinance No. 581 adopted November 5, 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. J. Davidson
President
Justin F. Caswell
Harold L. Lusk
Samuel P. Pittman
John L. Mitchell
Commissioners