

ORIGINALDecision No. 49356

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PACIFIC LIGHTING GAS SUPPLY COMPANY,)
 a corporation, under Sections 1002)
 and 1005 of the Public Utilities)
 Code for a certificate that public) Application No. 34690
 convenience and necessity require)
 the exercise of the rights and privi-))
 leges granted by Ordinance No. 2641)
 of the City of Glendale.)

Oscar C. Sattinger, for applicant.

O P I N I O N

Pacific Lighting Gas Supply Company in this proceeding asks for a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the City of Glendale, Los Angeles County, by its Ordinance No. 2641 adopted July 16, 1953, permitting the applicant to lay and use pipe and appurtenances of not exceeding 26 inches in diameter for the transportation of gas in, upon, under, along, and across certain designated streets of said city as set forth in detail in the ordinance. A public hearing was held before Examiner C. E. Crenshaw on November 4, 1953 in Los Angeles.

The franchise referred to, a copy of which is attached to the application and designated as Exhibit "A," is for a term of 25 years and was granted by the City of Glendale and is similar to a Broughton Act type of franchise. A fee is payable annually to the city equivalent to two per cent of the gross annual receipts arising from the use, operation or possession of the franchise but not less than one-half cent per annum per inch of diameter per lineal foot of pipeline maintained under said franchise.

The costs incurred by applicant in obtaining the franchise are stated to have been \$550.98, which does not include the \$50 filing fee with this Commission and the expense of publication of notice of the hearing of \$7.05. The total cost of the franchise and certificate, according to the record, is \$608.03.

The new Franchise Ordinance No. 2641 supersedes a previous franchise granted by Ordinance No. 1483 which would expire in the year 1956.

Applicant started its business operations as a public utility on January 1, 1953, by acquiring all of the properties and assets and assuming all the liabilities of the Pacific Lighting Gas Supply Company, a Nevada corporation. Included in the properties that applicant obtained from the Pacific Lighting Gas Supply Company was Franchise Ordinance No. 1483 of the City of Glendale, which franchise covered a gas pipeline not to exceed 26 inches in diameter, located in the public streets of the City of Glendale, within three-fourths of a mile on either side of San Fernando Road. Portions of the pipeline situated in the City of Glendale and covered by Franchise Ordinance No. 1483 were heretofore sold by one of applicant's predecessors in interest to Southern California Gas Company and Southern Counties Gas Company of California as tenants in common, with an undivided three-fourths interest in Southern California Gas Company and an undivided one-fourth interest in Southern Counties Gas Company of California.

Ever since the transfer, Southern California Gas Company and Southern Counties Gas Company of California have operated the pipeline so transferred as part of their facilities, and applicant's predecessor in interest retained the balance of said pipeline in the City of Glendale, which is now owned by applicant.

Since Franchise Ordinance No. 1483 covers the entire pipeline, all corporations concerned have now obtained new franchises from the City of Glendale covering the particular portions of the pipeline which are operated by each of the corporations involved. In acquiring Franchise Ordinance No. 2641 of the City of Glendale, applicant agreed to terminate its interest in Franchise Ordinance No. 1483 of the City of Glendale.

The annual payment under the old franchise was approximately \$485 per mile. Under the new franchise the payments are estimated to be approximately \$650 per mile. This utility, or its predecessors, for many years have operated a pipeline for the transportation of gas through the City of Glendale. The Southern California Gas Company distributes gas in the City of Glendale; however, since applicant is transporting gas only for wholesale through the City of Glendale, it will not be competing with the Southern California Gas Company. No objection to the granting of the requested certificate has been entered. It is the Commission's opinion that the requested authority should be granted.

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. 2641 of the City of Glendale.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity is granted to Pacific Lighting Gas Supply Company to exercise the rights and privileges granted by the City of Glendale, Los Angeles County, by Ordinance No. 2641 adopted July 16, 1953.

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

Dated at San Francisco, California, this 24th day of November, 1953.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners