

ORIGINALDecision No. 49579

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. 827 of the)
 City of Beverly Hills, California.)

Application No. 34878

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

O P I N I O N

Southern California Gas 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 Beverly Hills 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 Examiner C. E. Crenshaw on December 14, 1953, in 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 in accordance with the Franchise Act of 1937 and is of indeterminate duration. A fee is payable annually to the city equivalent to 2 per cent of the gross receipts arising from the use, operation, or possession of the franchise, but not less than 1 per cent of the gross annual receipts from sales of gas within the limits of the city under said franchise.

The costs incurred by applicant in obtaining the franchise are stated to have been \$5,215.04, which includes a \$5,000.00 charge by the city for consideration of the franchise but does not include

costs incident to this application in the amount of \$55.88. The total cost of the franchise, including the incidental costs, is \$5,270.92.

According to the record applicant for many years has been rendering gas service under a franchise granted by Ordinance No. 31 of the City of Beverly Hills which will expire in 1957, together with two county franchises, Nos. 463 and 467, which will also expire in 1957.

The new franchise, granted by Ordinance No. 827 of the City of Beverly Hills, supersedes the old franchise granted by Ordinance No. 31 and also those portions of the county franchises granted by Ordinances Nos. 463 and 467 which cover territory now a part of the City of Beverly Hills.

Under the old franchises, which are the Broughton Act type, the approximate payment to the City of Beverly Hills, based on the 2 per cent provision for the 12 months ending October 31, 1953, would be \$6,611. Under the new franchise granted by Ordinance No. 827 of the City of Beverly Hills and calculated on 1 per cent of the gross receipts provision, the approximate payment would be \$10,396 or an increase of \$3,785.

No objection to the granting of the requested certificate has been entered. Furthermore, this utility or its predecessors have for many years served gas in and about the City of Beverly Hills without competition. As of October 31, 1953, it served 11,567 active meters within the city from approximately 83.5 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. 827 of the City of Beverly Hills.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted to Southern California Gas Company to exercise the rights and privileges granted by the City of Beverly Hills by Ordinance No. 827 adopted June 25, 1953.

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

Dated at San Francisco, California, this 18th day of January, 1954.

A. E. Anderson
President
Francis P. Patton
John E. White
Gene Higgins

Commissioners

-3- Commissioner.....Justus F. Cravner.. being necessarily absent, did not participate in the disposition of this proceeding.