

**ORIGINAL**Decision No. 49674

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. 181 of the )  
 City of Exeter, California. )

Application No. 34904

T. J. Reynolds and Harry P. Letton, Jr.,  
 for applicant; Robert O. Randall, for  
 Commission staff.

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 Exeter, 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 January 27, 1954, 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 \$47.82, which amount does not include costs.

incident to this application in the amount of \$53.75. The total cost of the franchise, including the incidental costs, is \$101.57.

Applicant has been rendering gas service under a franchise granted by the City of Exeter by Ordinance No. 30 and also under a franchise granted by the County of Tulare under Ordinance No. 125. Both of these ordinances were adopted in 1912 and will expire in 1962. The new franchise, granted by Ordinance No. 181 of the City of Exeter, supersedes the old city franchise and also those portions of the county franchise which covered territory now a part of the City of Exeter.

Under the old franchises, which are the Broughton Act type, the estimated payment to the City of Exeter, based on the 2 per cent provision for the 12 months ending October 31, 1953, would be \$1,155. Under the new franchise, granted by Ordinance No. 181 of the City of Exeter, the 2 per cent provision remains the same but an alternate of 1 per cent of the gross receipts from sale of gas within the city is provided. Calculated on the 1 per cent of gross receipts provision, the approximate payment would be \$935, which is less than the amount under the 2 per cent provision. Therefore, there would be no increase in payments to the city under the new franchise.

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 Exeter without competition. As of October 31, 1953, it served 1,383 customers within the city from approximately 15.31 miles of distribution gas mains therein.

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

