

Decision No. 49686**ORIGINAL**

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. 109 of the
City of Woodlake, California.

Application No. 34939

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 Woodlake, 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 two per cent of the gross receipts arising from the use, operation, or possession of the franchise, but not less than one 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 \$48.74, 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 \$102.49.

Applicant has been rendering gas service in the City of Woodlake under Ordinance No. 125 of the County of Tulare, which will expire in 1962. The new franchise, granted by Ordinance No. 109 of the City of Woodlake, supersedes those portions of the county franchise granted by Ordinance No. 125 which covered territory now included in the City of Woodlake.

Under the old franchise, which was of the Broughton Act type, the approximate payment to the City of Woodlake, based on the two per cent provision for the 12 months ending October 31, 1953, would be \$720. Under the new franchise, granted by Ordinance No. 109 of the City of Woodlake, the two per cent provision remains the same but an alternate of one per cent of the gross receipts from sale of gas within the city is provided. Calculated on the one per cent of gross receipts provision, the approximate payment would be \$411, which is less than the amount under the two 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 Woodlake without competition. As of October 31, 1953, it served 653 customers within the city from approximately 9.81 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. 109 of the City of Woodlake.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and is granted to Southern California Gas Company to exercise the rights and privileges granted by the City of Woodlake by Ordinance No. 109 adopted September 14, 1953.

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

Dated at San Francisco, California, this 16th day of February, 1954.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners