

ORIGINAL

Decision No. 49717

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. 146 N.S. of)
 the City of Corcoran, California.)

Application No. 34896

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 Corcoran, 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 February 4, 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% of the gross receipts arising from the use, operation, or possession of the franchise, but not less than 1% 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 \$78.80, which amount does not include costs incident to this application in the amount of \$56.00. The

total cost of the franchise, including the incidental costs, is \$134.80.

According to the record, applicant for many years has been rendering gas service under a Broughton Act type of franchise granted by Ordinance No. 43 of the City of Corcoran which would have expired in 1955. The new franchise, granted by Ordinance No. 146 N.S. of the City of Corcoran, supersedes the old franchise granted by Ordinance No. 43 and is in accordance with the Franchise Act of 1937.

Under the old franchise, which was of the Broughton Act type, the approximate payment to the City of Corcoran, based on the 2% provision for the 12 months ending October 31, 1953, would be \$1,165. Under the new franchise, granted by Ordinance No. 146 N.S. of the City of Corcoran, the 2% provision remains the same but an alternate of 1% of the gross receipts from the sale of gas within the city is provided. Calculated on the 1% of gross receipts provision, the approximate payment would be \$910, which is less than the amount under the 2% 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 Corcoran without competition. As of October 31, 1953, it served 1,063 customers within the city from approximately 19.71 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. 146 N.S. of the City of Corcoran.

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 Corcoran by Ordinance No. 146 N.S. adopted August 17, 1953.

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

Dated at San Francisco, California, this 23rd day of February, 1954.

[Signature]
 PRESIDENT
[Signature]
[Signature]
[Signature]
 COMMISSIONERS