

ORIGINALDecision No. 49718

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 SOUTHERN CALIFORNIA GAS COMPANY, a
 corporation, and SOUTHERN COUNTIES
 GAS COMPANY OF CALIFORNIA, a corpora-
 tion, under Sections 1002 and 1005
 of the Public Utilities Code, for a
 certificate that public convenience
 and necessity require the exercise
 of the rights and privileges granted
 by Ordinance No. 2642 of the City of
 Glendale, California.

Application No. 34895

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

O P I N I O N

Southern California Gas Company and Southern Counties Gas Company of California in this joint proceeding ask for a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the City of Glendale, permitting the applicants 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 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 Broughton Act, and is for a term of 25 years. 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-half cent per annum per inch of diameter per lineal foot of pipe line maintained under said franchise.

The costs incurred by applicant in obtaining the franchise are stated to have been \$580.05, which amount does not include costs incident to this application in the amount of \$56.51. The total cost of the franchise, including the incidental costs, is \$636.56.

The new franchise granted by Ordinance No. 2642 of the City of Glendale is of the Broughton Act type and is granted to Southern California Gas Company and Southern Counties Gas Company of California as tenants in common, with a three-fourths interest in Southern California Gas Company and a one-fourth interest in Southern Counties Gas Company of California, and supersedes Ordinance No. 1483 owned by the Pacific Lighting Gas Supply Company under which applicants have been operating. Applicants obtained this jointly owned new franchise to cover the operation and maintenance of a 26-inch line rather than continue operations under the aforesaid franchise of Pacific Lighting Gas Supply Company which would have expired on May 16, 1956.

The annual payment to the City of Glendale under the old franchise granted by Ordinance No. 1483 to Pacific Lighting Gas Supply Company, based upon the 12 months ending December 31, 1952, was \$1,287.71. The combined estimated payment by Southern California Gas Company and Southern Counties Gas Company of California under Ordinance No. 2642 would be \$1,759.91, or an increase in payment under Ordinance No. 2642 of the City of Glendale of \$472.20.

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 provision 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.

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 applicants of the right, privilege and franchise granted to applicant by Ordinance No. 2642 of the City of Glendale.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and is granted to Southern California Gas Company and Southern Counties Gas Company of California to exercise the rights and privileges granted by the City of Glendale by Ordinance No. 2642 adopted July 16, 1953.

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

Dated at South Pasadena, California, this 23rd day of February, 1954.

R. E. [Signature]
President

Justus D. [Signature]

[Signature]

[Signature]

[Signature]
Commissioners