

ORIGINAL

Decision No. 59569

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of }
 SOUTHERN CALIFORNIA GAS COMPANY, a }
 corporation, under Section 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. 199 of the }
 City of Indio, California. }

Application No. 35520

L. T. Rice, attorney, for applicant.

O P I N I O N

Southern California Gas Company, a corporation, by the above-entitled application filed June 14, 1954, seeks a certificate under Sections 1002 and 1005 of the Public Utilities Code that public convenience and necessity require the exercise of the rights, privileges and franchise granted by Ordinance No. 199 of the City of Indio, Riverside County, permitting the installation, maintenance and use of a gas distribution and transmission system in the streets of said city.

A public hearing in this matter was held before Examiner Stewart C. Warner on September 2, 1954 at Los Angeles.

The franchise referred to, a copy of which is attached to the application 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.

Based on the year ending June 30, 1954, as shown in Exhibit No. 1, the 2% computation would control the fee paid to Indio for that year.

The costs incurred by applicant in obtaining the franchise are stipulated in Exhibit No. 2 to have been \$112.06, which amount includes costs incident to this application.

No objection to the granting of the requested certificate has been entered. For many years this utility or its predecessors have served liquefied petroleum or natural gas in the City of Indio under a franchise granted by Ordinance No. 22, granted by the City of Indio on October 3, 1932. The record shows that said Ordinance No. 22 was due to expire within a few years. In order to assure the continuance of natural gas service in the City of Indio and to facilitate the sale of applicant's bonds to prospective purchasers, since banks and other investors consider it essential that the term of the franchise shall extend beyond the maturity date of the bonds, applicant applied for and secured the franchise granted by Ordinance No. 199.

As of June 30, 1954 there were 1,822 active meters within the City of Indio. There was an average of 21.80 miles of pipe in highways in said city for the 12-month period ending June 30, 1954.

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 rights, privileges and franchise granted to applicant by Ordinance No. 199 of the City of Indio, Riverside County, therefore,

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 Indio, Riverside County, by Ordinance No. 199 adopted March 17, 1954.

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

Dated at San Francisco, California, this 21st day of September, 1954.

John E. W. [Signature]
President
Justice F. [Signature]
[Signature]
Verne [Signature]
Commissioners

Commissioner Ray E. Untereiner, being necessarily absent, did not participate in the disposition of this proceeding.