

Decision No. 50893**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 conven-) Application No. 35813
 ience and necessity require the)
 exercise of the rights and privileges)
 granted by Ordinance No. CS-215 of the)
 City of Culver City, California.)

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

O P I N I O N

Southern California Gas Company by the above-entitled application filed September 24, 1954, asks for a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the City of Culver City, 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 November 15, 1954, at 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 pursuant to 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 \$33.93, which amount does not include costs incident to this application.

Southern Counties Gas Company of California, hereinafter called Southern Counties, is the principal distributor of natural gas service in Culver City, except for a small section in the north-east part of the city in which gas service is rendered by applicant, as shown by a map introduced as Exhibit No. 2. Applicant or its predecessors have for many years served gas in this portion of Culver City without competition. As of August 31, 1954, applicant rendered gas service to about 86 customers within the city from approximately 5.194 miles of mains.

In this proceeding applicant requests that the certificate of public convenience and necessity permitting it to exercise the franchise rights here sought to be certificated, be broad enough to permit the installation, operation, maintenance and use of a gas distribution and transmission system in the streets in that portion of Culver City not served by Southern Counties and, in addition, that the certificate be broad enough to permit the installation, maintenance, operation and use of transmission lines through that portion of Culver City now served by Southern Counties.

No objection to the granting of the requested certificate has been entered. Further, witness for applicant in this proceeding was also authorized to appear for Southern Counties and testified that both applicant and Southern Counties were in agreement with the granting of the certificate of public convenience and necessity.

According to the testimony received it appears that the only person, firm, or public or private corporation other than applicant now engaged in the business of furnishing, distributing and selling natural gas in Culver City is the Southern Counties Gas Company of California. Further, it is not the intention of applicant to enter into competition with Southern Counties in rendering gas service in Culver City.

From the evidence of record, the Commission finds that public convenience and necessity require the exercise by Southern California Gas Company of the right, privilege, and franchise granted to it by Ordinance No. CS-215 of Culver City for the supplying of gas service only within that portion of Culver City now served by it, or which may be served through extensions of its existing system made in the ordinary course of business as contemplated by Section 1001 of the Public Utilities Code, and for the transmission of gas through the entire city. The order herein will contain, therefore, appropriate restrictions concerning territory not now served by applicant.

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. CS-215 of the City of Culver City.

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 Culver City by Ordinance No. CS-215 adopted May 24, 1954, subject, however, to the following conditions:

1. That Southern California Gas Company shall not exercise said franchise for the purpose of supplying gas service in those parts or portions of Culver City not now served by it, except through extensions of its existing system made in the ordinary course of business as contemplated by Section 1001 of the Public Utilities Code.
2. That, except upon further certificate of this Commission first obtained, Southern California Gas Company shall not exercise said franchise for the purpose of supplying gas service in those parts or portions of Culver City now supplied by Southern Counties Gas Company of California.
3. That the Commission may hereafter, by appropriate proceeding and order, limit the authority herein granted to Southern California Gas Company as to any territory within said Culver City not then being served by it.

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

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

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners