

Decision No. 51914

**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 SOUTHERN COUNTIES GAS COMPANY OF )  
 CALIFORNIA under Section 1002 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. 393 of the City of )  
 West Covina, California. )

Application No. 37078

Frederick G. Dutton, for applicant.

O P I N I O N

Southern Counties Gas Company of California, by the above-entitled application filed June 29, 1955, seeks a certificate under Section 1002 of the Public Utilities Code that public convenience and necessity require the exercise of the rights, privileges and franchise granted by Ordinance No. 393 of the City of West Covina, Los Angeles 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 August 10, 1955, at Los Angeles.

The franchise referred to, a copy of which is attached to the application as Exhibit A, was granted by the city on May 23, 1955, 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 twelve months' period ending June 30, 1955, as shown in Exhibit 1, the 2% computation of the annual payment for 1954, under the Dinuba formula, amounting to \$11,125.29 would control the fee paid to West Covina.

The costs incurred by applicant in obtaining the franchise are stipulated to have been \$239.97, which amount includes costs incident to this application.

No objection to the granting of the requested certificate has been entered. This utility has served gas in the City of West Covina without competition since 1923 under a franchise granted by Los Angeles Ordinance No. 500 (N.S.) dated February 25, 1918. As of June 3, 1955, there were 8,337 active meters within the city and as of December 31, 1954, 101.07 miles of main 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 rights, privileges and franchise granted to applicant by Ordinance No. 393 of the City of West Covina, Los Angeles County, therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and is granted to Southern Counties Gas Company of California to exercise the rights and privileges granted by the City of West Covina, Los Angeles County, by Ordinance No. 393 adopted May 23, 1955.

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

Dated at San Francisco, California,  
this 6th day of September, 1955.

[Signature]  
President

[Signature]  
[Signature]

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Commissioners

Matthew J. Dooley  
Commissioner S. Ray F. Untereiner, being necessarily absent, did not participate in the disposition of this proceeding.