

ORIGINAL

Decision No. 52856

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PACIFIC LIGHTING GAS SUPPLY COMPANY,
 a corporation, 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. 925 of the City of
 San Buenaventura.

Application No. 37751

In the Matter of the Application of
 PACIFIC LIGHTING GAS SUPPLY COMPANY,
 a corporation, 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. 680 of the City of
 Montebello.

Application No. 37752

J. R. Elliott, for applicant.

O P I N I O N

By Application No. 37751, filed with this Commission on February 15, 1956, Pacific Lighting Gas Supply Company, a corporation, asks for a certificate of public convenience and necessity authorizing it to exercise the rights and privileges of a franchise granted by Ordinance No. 925 of the City of San Buenaventura, California, to lay and use pipes and appurtenances transmitting gas under, along, across and upon certain public streets in said city. By Application No. 37752, filed with the Commission on February 15, 1956, Pacific Lighting Gas Supply Company, a corporation

asks for a certificate of public convenience and necessity authorizing it to exercise the rights and privileges of a franchise granted by Ordinance No. 680 of the City of Montebello, California, to lay and use pipes and appurtenances for transmitting oil, water, other fluids, and gas under, along, across or upon certain public streets in said city.

A public hearing was held in Los Angeles on March 12, 1956, before Examiner Kent C. Rogers. At the hearing the two applications were consolidated for hearing and decision. Prior to the consolidated hearing, notices of the hearing were published as required by this Commission. No objections to the granting of the requested certificates have been entered.

Application No. 37751 concerning Ordinance No. 925
of the City of San Buenaventura

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 Broughton Act (Division 3, Chapter 1, California Public Utilities Code), is for a term of 50 years and became effective January 27, 1956. A fee is payable annually to the city, starting after the fifth year, equivalent to 2 per cent of the gross annual receipts arising from the use, operation or possession of the franchise. Applicant's witness stated that the franchise is for the purpose of the maintenance, construction and operation of transmission mains and not for the purpose of distribution of gas, and the applicant will compete with no gas distributor.

The costs incurred by applicant in obtaining the franchise are stated to have been \$476.58, which amount does not include costs incident to the application (see Exhibit No. 2 in Application No. 37751).

Applicant's Land and Right of Way representative testified that applicant is engaged in the transmission of natural gas through the City of San Buenaventura, incidental to its regular business of purchasing natural gas at wholesale and selling such natural gas at wholesale to its two customers, Southern California Gas Company and Southern Counties Gas Company of California; that it is essential for applicant to construct and maintain such transmission lines in order to continue its service to its customers; that heretofore such pipe lines were installed and maintained pursuant to County of Ventura Franchise Ordinance No. 403 applicable to unincorporated portions of Ventura; that by virtue of annexation of unincorporated territory by the City of San Buenaventura, portions of said transmission lines are now within the limits of the said city; and that in order to facilitate supervision, administration, accounting and maintenance of installations within the limits of said city it was necessary that Franchise No. 925 be secured directly from the City of San Buenaventura. All the requirements of the franchise have been complied with, he said.

The annual payment to the City of San Buenaventura is estimated to be between \$350 and \$375 based upon the Broughton Act formula.

Application No. 37752 concerning Ordinance No. 680
of the City of Montebello

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 Broughton Act (Division 3, Chapter 1, California Public Utilities Code), is for a term of 40 years, and became effective November 17, 1955. A fee is payable annually to the City

of Montebello, starting after the fifth year, equivalent to 2 percent of the gross annual receipts arising from the use, operation or possession of the franchise.

The costs incurred by applicant in obtaining the franchise are stated to have been \$340.90, which amount does not include costs incident to the application (see Exhibit No. 2 in Application No. 37752).

Applicant's Land and Right of Way representative testified that applicant is engaged in the construction and development of underground storage facilities within the City of Montebello pursuant to this Commission's Decision No. 52219 and Decision No. 51554; that it is essential that applicant have the franchise to enable it to install pipe-line facilities in the City of Montebello; that public convenience and necessity require the use of the franchise by the applicant; that the franchise is necessary in order to permit applicant to continue its operations properly in selling gas at wholesale to its two affiliates, Southern California Gas Company and Southern Counties Gas Company of California; and that the pipe lines in the City of Montebello will be for transmission purposes only and not for distribution.

The witness stated that it is impossible, at this time, to determine the amount of the annual payments to the City of Montebello pursuant to the franchise for the reason that the construction of a compressor plant and associated facilities has not yet been completed and therefore the extent of the proposed pipe-line installation is not known. All of the requirements of the franchise have been complied with, he said.

Conclusion

Upon the evidence of record herein it appears, and we find, that public convenience and necessity require the exercise by the applicant of the right, privilege and franchise granted to the applicant by Ordinance No. 925 by the City of San Buenaventura, California; and we further find that public convenience and necessity require the exercise by the applicant of the right, privilege and franchise granted to the applicant by Ordinance No. 680 of the City of Montebello, California. The certificates of public convenience and necessity herein granted are each subject to appropriate restrictions and to the following provision of law:

The Commission shall have no power to authorize the capitalization of the franchises involved herein or these certificates of public convenience and necessity or the right to own, operate or enjoy such franchises or certificates of public convenience and necessity in excess of the amounts (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 franchises, certificates of public convenience and necessity or rights.

O R D E R

The above-entitled applications having been filed and consolidated for hearing, a public hearing having been held thereon, the matter having been submitted, and the Commission having made the foregoing findings, and based upon said findings,

IT IS HEREBY ORDERED:

1. That a certificate of public convenience and necessity be, and it hereby is, granted to Pacific Lighting Gas Supply Company, a corporation, authorizing it to exercise the rights and privileges

granted by the City of San Buenaventura, California, by Ordinance No. 925, adopted December 27, 1955, and effective January 27, 1956.

2. That a certificate of public convenience and necessity be, and it hereby is, granted to Pacific Lighting Gas Supply Company, a corporation, authorizing it to exercise the rights and privileges granted by the City of Montebello, California, by Ordinance No. 680, adopted October 17, 1955, and effective November 17, 1955.

3. That Pacific Lighting Gas Supply Company shall not exercise said franchises, or either of them, for the purpose of distribution or retail sale of gas or other commodities.

4. That the Commission may hereafter by appropriate proceedings and order limit the authority herein granted to applicant as to any territory within said cities, or either of them, not then being utilized by it.

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

Dated at San Francisco, California,
this 3rd day of April, 1956.

[Signature]
President

[Signature]

[Signature]

[Signature]

Commissioners

Commissioner Rex Hardy, being necessarily absent, did not participate in the disposition of this proceeding.