

ORIGINAL

Decision No. 54295

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 certifi-)
 cate that public convenience and)
 necessity require the exercise of)
 the rights and privileges granted)
 by Ordinance No. 31 of the City of)
 Monte Vista, California.)

Application No. 38499

Milford Springer and J. R. Elliott, by J. R. Elliott,
 for applicant.

O P I N I O N

Southern Counties Gas Company of California, a corporation, by the above entitled application filed on October 13, 1956, requests a certificate of public convenience and necessity to exercise the rights and privileges of Franchise Ordinance No. 31, granted by the City of Monte Vista, San Bernardino County, California, a City which was incorporated on April 25, 1956, to lay and use pipes and appurtenances for transmitting and distributing gas for any and all purposes, under, along, across or upon the public streets, roads, highways, lanes, alleys, courts, sidewalks, parkways, easements, or similar public places in the said city.

A public hearing on the application was held before Examiner Kent C. Rogers on November 16, 1956, in Los Angeles. Prior to the hearing, notice thereof was published as required

by this Commission. There was no objection to the granting of the requested authority.

The manager of applicant's Rate Department presented evidence concerning the following facts:

The franchise referred to, a copy of which is attached to the application as Exhibit "A" was granted by the City of Monte Vista in accordance with the Franchise Act of 1937 (Division 3, Chapter 2, California Public Utilities Code), and supersedes San Bernardino County Franchise Ordinance No. 153 and San Bernardino County Franchise Ordinance No. 177 to the extent that these ordinances cover area within the City of Monte Vista. The franchise became effective on November 1, 1956, and is of indeterminate duration. A fee will be payable annually to the city equivalent to two percent of the gross annual receipts arising from the use, operation or possession of said franchise, provided that such fee shall not be less than one percent of the total gross annual receipts from the sale of gas within the limits of the city under the franchise.

Applicant has filed written acceptance of the franchise as required by Section Five thereof, and has posted its bond as required by Section Seven thereof.

The costs incurred by the applicant in obtaining the franchise totaled \$224.50 exclusive of the fee for filing the herein application (\$50.00) and the publication of the notice of hearing thereon (\$5.25).

The reason the franchise was secured is that applicant served in the territory now comprising the City of Monte

Vista during the twelve months ending September 30, 1956, an estimated average of 1,889 customers, most of whom are residential customers. Gas service is essential to these residential customers in that it provides fuel for cooking, water heating, refrigeration and space heating. If gas service were discontinued in the city, the household appliances would have to be replaced by new appliances using other types of fuel. The gas service rendered to commercial and industrial customers in the city provides an economical and convenient fuel for their purposes. In addition, if the applicant were denied the right to serve gas in the city it would lose a major portion of its investment in mains and services therein.

The cost to the applicant of the franchise will be approximately \$4,411.36 per year based on the fee paid to the County of San Bernardino for the year 1955, and the services and pipe system in the present city territory during that year (page 6 of Exhibit No. 2).

Upon the record herein the Commission finds that public convenience and necessity require the exercise by the applicant of the right, privilege and franchise granted to the applicant by Franchise Ordinance No. 31 of the City of Monte Vista, San Bernardino County, California. The certificate of public convenience and necessity herein granted is subject to the following provisions of law:

- (a) 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.

- (b) 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 thereon, the matter having been submitted, and the Commission having made the foregoing findings and based upon such findings,

IT IS HEREBY ORDERED that Southern Counties Gas Company of California, a corporation, be and it is hereby granted a certificate that public convenience and necessity require the

exercise by it of the rights, privileges and franchise granted to it by Franchise Ordinance No. 31 of the City of Monte Vista, San Bernardino County, California, which ordinance was adopted on the first day of October, 1956, by the City Council of said City.

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

Dated at San Francisco, California,
this 14th day of SEPTEMBER, 1956.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners