

ORIGINAL

Decision No. 54582

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Applica- )  
tion of SOUTHERN CALIFORNIA GAS )  
COMPANY and SOUTHERN COUNTIES GAS )  
COMPANY OF CALIFORNIA, under )  
Sections 1002 and 1005 of the Public )  
Utilities Code, for a certificate )  
that public convenience and neces- )  
sity require the exercise of the )  
rights and privileges granted by )  
Ordinance No. 2707 of the City of )  
Alhambra, California. )

Application No. 38572

T. J. Reynolds, L. T. Rice and Harry P. Letton, Jr.,  
by L. T. Rice, for applicant Southern California  
Company.  
Milford Springer for Southern Counties Gas Company  
of California.

O P I N I O N

Applicants Southern California Gas Company and Southern  
Counties Gas Company of California are engaged in the business of  
purchasing, distributing and selling gas in various Southern  
California areas having a population of approximately 8,000,000  
persons.

They seek a certificate of public convenience and  
necessity to exercise the rights and privileges of a franchise  
granted to them by Ordinance No. 2707 of the City of Alhambra,  
California.

A public hearing was held in Los Angeles before Examiner  
Mark V. Chiesa. Oral and documentary evidence having been adduced,  
the matter was submitted for decision.

The evidence of record shows and we find:

That applicants have duly published the required notice  
of hearing; that the City of Alhambra, on July 17, 1956, adopted

Ordinance No. 2707, which ordinance became effective on August 22, 1956; that the said franchise was granted pursuant to the Broughton Act of 1905 (now Division 3, Chapter I, Sections 6001-6017 of the Public Utilities Code of the State of California); that the franchise is for a term of 35 years, and grants applicants the right to lay and use pipes and appurtenances for transmitting and distributing gas in, upon, under, along, and across certain described public streets of said city; that on July 31, 1956, applicants filed a written acceptance of said franchise with the City Clerk of said city and have also filed a bond in the sum of \$1,000; that applicant Southern California Gas Company has an undivided 70 percent interest and applicant Southern Counties Gas Company of California has an undivided 30 percent in said franchise, as tenants in common; that applicants are ready, able, and willing to exercise the rights and privileges as in said franchise provided.

Applicants allege that the said franchise does not supersede other franchises which applicant Southern California Gas Company has within the City of Alhambra, but was obtained so that applicant Southern Counties Gas Company of California, which does not have a franchise in said city, could lay and use a proposed 30-inch transmission pipeline jointly with applicant Southern California Gas Company; that it is necessary for applicants to have said franchise and to exercise the rights and privileges thereunder in order to meet customer demand for gas service. The franchise was obtained to cover a portion of the Newhall-Alhambra transmission pipeline which was being constructed by applicants. The purposes of the pipeline are threefold: first, it completes the 30-inch pipeline "loop" around metropolitan Los Angeles, second, it ties the San Joaquin Valley system into the 30-inch

transmission system; third, it provides a means of transporting Texas gas from the 30-inch Needles to Newhall pipeline to the metropolitan area of Los Angeles.

We find also that applicants, grantees of the said franchise, their successors or assigns must, during the first five years of the life of this franchise, pay to the City of Alhambra not less than two percent of the gross annual receipts of such grantee or grantees, their successors or assigns, arising therefrom, and during the remainder of the life of said franchise must pay to the City of Alhambra not less than four percent of the gross annual receipts of the grantee or grantees, their successors or assigns, arising therefrom. Such percentages are payable annually.

Applicants have estimated combined payment for the first five years of the franchise term, based on two percent of gross annual receipts, to be \$281.70, and for the balance of the term based on four percent at \$563.39.

Costs incurred by applicants in obtaining the franchise total \$1,395.90, exclusive of the fees paid to this Commission pursuant to the provisions of Section 1904(a) of the Public Utilities Code.

A copy of said Ordinance No. 2707 and a map showing the public streets in the said city along which the franchise is applicable were filed with the application.

The application is not opposed and will be granted.

The certificate of public convenience and necessity herein granted is subject to the following provision of law:

That 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 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 franchises, certificates of public convenience and necessity or rights.

ORDER

A public hearing having been held in the above-entitled matter, the Commission being fully advised in the premises and finding that public convenience and necessity require the exercise by applicant of the rights, privileges and franchises granted to applicants by Ordinance No. 2707 of the City of Alhambra,

IT IS ORDERED that a certificate of public convenience and necessity be granted to Southern California Gas Company and Southern Counties Gas Company of California to exercise the rights and privileges granted by the City of Alhambra in Ordinance No. 2707, which ordinance became effective August 22, 1956.

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

Dated at San Francisco, California, this 25<sup>th</sup> day of FEBRUARY, 1957.

Commissioners

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