

**ORIGINAL**Decision No. 54590

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application )  
of SOUTHERN CALIFORNIA GAS COMPANY and )  
SOUTHERN COUNTIES GAS COMPANY OF CALI- )  
FORNIA, under Sections 1002 and 1005 )  
of the Public Utilities Code, for a )  
certificate that public convenience and ) Application No. 38573  
necessity require the exercise of the )  
rights and privileges granted by Ordi- )  
nance No. 280 of the City of Glendale, )  
California. )

T. J. Reynolds, L. T. Rice and Harry P. Letton,  
Jr., by L. T. Rice, for applicant Southern  
California Gas 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 Califor-  
nia areas having a population of approximately 8,000,000 persons.

They seek a certificate of public convenience and neces-  
sity to exercise the rights and privileges of a franchise granted to  
them by Ordinance No. 2860 of the City of Glendale, 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 Glendale, on June 21, 1956, adopted  
Ordinance No. 2860, which ordinance became effective on July 21, 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 25 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 2, 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 per cent interest and applicant Southern Counties Gas Company of California has an undivided 30 per cent 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 Glendale, 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 also find that grantees must, during the life of this franchise and privilege, pay to the City of Glendale, in lawful money of the United States, 2 per cent of the gross annual receipts of said grantees arising from the use, operation or possession of said franchise and privilege, but not less than  $\frac{1}{2}$  cent per annum per inch of diameter per lineal foot of pipeline maintained under said franchise and privilege. Since the franchise is not a renewal of an existing one, no payment is required, under the terms of Section 11 of the ordinance, during the first 5 years. Thereafter payments are to be made annually.

Applicants have estimated combined payment under Ordinance No. 2860 to be \$5,133.88 annually (Exhibit No. 4).

Costs incurred by applicants in obtaining the franchise total \$648.15, 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 and a map showing the streets in said city along which the franchise is applicable are on file with this 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.

O R D E R

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 applicants of the rights, privileges and franchises granted to applicants by Ordinance No. 2860 of the City of Glendale,

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 Glendale in Ordinance No. 2860, which ordinance became effective July 21, 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.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]

Commissioners

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