

ORIGINAL

Decision No. 54595

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 necessity require the exercise of )  
the rights and privileges granted by )  
Ordinance No. 1489 of the City of )  
Burbank, California. )

Application No. 38599

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 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. 1489 of the City of Burbank, 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 Burbank, on July 24, 1956, adopted  
Ordinance No. 1489, which ordinance became effective on August 26,  
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 August 10, 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 Burbank, 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 Burbank annually, in lawful money of the United States, 2 per cent of the gross annual receipts of said grantees arising from the use, operation and possession of said franchise. However, there is a further provision that the city and grantees may agree that an annual payment of  $\frac{1}{2}$  cent per inch of diameter per lineal foot of pipeline installed and maintained under said franchise shall be made in lieu of said 2 per cent of gross receipts. In either case the franchise provides that the total payment shall not be less than \$2,750.

Applicants have estimated combined payment under Ordinance No. 1489 to be \$2,751.30 annually (Exhibit No. 6).

Costs incurred by applicants in obtaining the franchise total \$738.72, 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. 1489 of the City of Burbank,

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 Burbank in Ordinance No. 1489, which ordinance became effective August 26, 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.

Robert E. Mitchell  
President

Ray G. Luterer

Thomas J. [unclear]

E. L. Fox

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Commissioners

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