

Decision No. 55553

ORIGINAL

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 con-)
venience and necessity require the)
exercise of the rights and privileges)
granted by Ordinance No. C-3710 of)
the City of Long Beach.)

Application No. 39205

O. C. Sattinger and J. R. Elliott,
by R. D. Twomey, Jr., for applicant.

O P I N I O N

By Application No. 39205, filed with this Commission on July 3, 1957, Pacific Lighting Gas Supply Company, a corporation, seeks a certificate of public convenience and necessity authorizing it to exercise the rights and privileges of a franchise granted by Ordinance No. C-3710 of the City of Long Beach, California, to lay, construct, operate, maintain, repair, replace, and/or remove in, upon, along, across, over and under certain streets of said city pipe lines and other facilities for the purpose of carrying, transporting conveying and conducting gas in areas defined in said ordinance, and to continue to maintain and operate such of said pipe lines and facilities as are now owned, maintained, or operated by applicant within said city for the purpose of carrying, transporting, conveying and conducting gas.

A public hearing was held in Los Angeles on August 12, 1957, before Examiner Kent C. Rogers. Prior to the hearing notice thereof was published as required by this Commission. No objection to the granting of the requested certificate has been entered.

The franchise referred to, a copy of which is attached to the application as Exhibit A, was granted by the city pursuant to its charter, is for a term of 35 years, and became effective on May 11, 1957. A fee is payable annually by the applicant to the city at the rate of one-half cent (.5%) per inch of internal diameter per lineal foot per year for each and every pipe line maintained in public streets set forth in Section 2 of the ordinance, with a minimum of two and thirty-seven hundredths cents (2.37%) per lineal foot. The costs incurred by the applicant in obtaining the franchise were stated to be \$519.27 (Exhibit No. 1), which amount does not include the costs incident to the herein application.

Applicant's Land and Right of Way representative testified that applicant's certificate of public convenience and necessity from this Commission authorizes applicant to operate in all territory in and contiguous to that served by Southern Counties Gas Company of California and Southern California Gas Company (Decision No. 48088, dated December 22, 1952, in Application No. 33905); that applicant is engaged in the transmission of natural gas through the City of Long Beach 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 certain franchises granted by the County of Los Angeles by Ordinances Nos. 583, 2035 and 2420, expiring, respectively, in 1960, 1972 and 1974. (A certificate to exercise said franchises was granted by this Commission by Decision No. 48906, dated August 4, 1953, in Application No. 33905, Second Supplemental); and that territory covered by said franchises is now in the City of Long Beach. The witness further stated that public convenience and necessity require the use of the franchise granted by Ordinance No. C-3710 of the City of Long Beach; that the franchise is necessary in order to permit applicant to continue its operations in selling gas at wholesale to its two affiliates, Southern California Gas Company and Southern Counties Gas Company of California; that the pipe lines in the City of Long Beach are transmission lines only and are not for distribution purposes; and that it is not the intention of applicant to compete in any way in distributing gas with any other utility in the city. All of the requirements of the franchise have been complied with, he said.

The annual payment to the City of Long Beach will be approximately \$1,916.74, based on the formula set forth in the franchise and the present length of the pipe line.

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 rights, privileges and franchise granted to the applicant by Ordinance No. C-3710 of the City of Long Beach, California. The certificate of public convenience and necessity herein granted is subject to the following provision

of law:

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.

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 finding and based upon said finding,

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, privileges and franchise granted by the City of Long Beach, California, by Ordinance No. C-3710, adopted March 12, 1957, and effective May 11, 1957.

(2) That Pacific Lighting Gas Supply Company shall not exercise said franchise for the purpose of distribution or retail sale of gas or other commodities.

(3) That the Commission may hereafter, by appropriate proceedings and order, limit the authority herein granted to applicant as to any territory within said city not then being utilized by applicant.

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

Dated at San Francisco, California,
this 10th day of SEPTEMBER, 1957.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners