

ORIGINAL

Decision No. 55568

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 certificate that public conven-)
 ience and necessity require the)
 exercise of the rights and)
 privileges granted by Ordinance)
 No. 16 of the City of La Puente,)
 California.)

Application No. 39130

Wilford Springer and J. R. Rensch for applicant.

O P I N I O N

By this application, Southern Counties Gas Company of California, a corporation, seeks the certificate required by Section 1002 of the Public Utilities Code that public convenience and necessity require the exercise of the rights, privileges and franchise granted to it by Ordinance No. 16 of the City of La Puente, County of Los Angeles, California, permitting the construction and operation of a gas distribution system within said city.

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

The record shows that, in accordance with the Franchise Act of 1937, the City of La Puente on December 3, 1956, granted to applicant a franchise (Exhibit No. A attached to the application)

of indeterminate duration which franchise provides that applicant shall pay a fee equal to two percent (2%) of the gross annual receipts arising from the use, operation or possession of said franchise, provided, however, that such payment shall in no event be less than a sum equal to one percent (1%) of the total gross annual receipts derived from the sale of gas within the limits of the said City of La Puente.

Said Ordinance No. 16 replaces Los Angeles County Franchise Ordinance No. 6766 (Decision No. 52528) as to the operations of applicant within the city limits of La Puente.

Applicant has served this territory since 1924. The City of La Puente was incorporated August 1, 1956, and currently has a population of approximately 21,000. As of May 31, 1957, applicant served 4,959 customers within said city most of whom were residential. Within the city applicant maintains 48.30 miles of main on public right of way and an additional 1.01 miles of main on private right of way.

The actual fee paid to the City of La Puente, under the Dinuba formula, for the last five months of 1956 was \$3,098.60. The estimated proportion of the taxable revenue allocable to the city was \$309,897.86 or an estimated annual payment of \$6,197.96 at the 2 percent rate under the franchise.

In obtaining said franchise and filing this application costs of \$250.68 were incurred.

The application is not opposed and there are no other gas companies operating in the area covered by the said franchise.

The Commission having considered the matter finds as a fact that public convenience and necessity require the exercise of the rights, privileges and franchise granted to applicant by Ordinance No. 16 of the City of La Puente, County of Los Angeles, State of California. The application will be granted.

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

1. That 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.
2. That 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

A public hearing having been held in the above-entitled proceeding, the Commission being fully advised in the premises and having found as hereinabove set forth,

IT IS ORDERED that a certificate of public convenience and necessity be, and it hereby is, granted to Southern Counties Gas Company of California, a corporation, to exercise the rights and privileges granted by the City of La Puente, County of Los Angeles

California, by Ordinance No. 16 enacted December 3, 1956.

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

Dated at San Francisco, California,
this 17th day of September, 1957.

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