

ORIGINAL

Decision No. 55673

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SOUTHERN CALIFORNIA GAS 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. 289 of the)
City of Santa Paula, California.)

Application No. 39306

Harry P. Letton, Jr., and Henry E. Lippitt, 2nd,
 by Harry P. Letton, Jr., for applicant.

O P I N I O N

Southern California Gas Company, a corporation, by the above-entitled application filed on August 2, 1957, requests a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the City of Santa Paula, Ventura County, California, to lay and use pipes and appurtenances for transmitting and distributing gas for any and all purposes under, along, across or upon the public streets, ways, alleys and places as the same may now or hereafter exist, within said city.

A public hearing on the application was held before Examiner Kent C. Rogers on September 16, 1957, in Los Angeles. Prior to the hearing notice thereof was published as required by this Commission. There were no protests.

The franchise referred to, a copy of which is attached to the application and designated Exhibit "A", was granted by the

city in accordance with the Franchise Act of 1937 (Division 3, Chapter 2, California Public Utilities Code), was effective April 3, 1957, and is of indeterminate duration. A fee will be payable annually equivalent to 2 percent of the gross annual receipts of the applicant arising from the use, operation or possession of said franchise, provided, however, that such payment shall in no event be less than 1 percent of the gross annual receipts of the grantee derived from the sale of gas within the limits of the city under the franchise.

The applicant has filed the written acceptance of the franchise as required by Section 12 of the Ordinance. No bond is required.

Exhibit No. 2 herein shows that the costs incurred in obtaining the franchise are \$107.24, exclusive of the costs incident to this application which amount to \$62.40 and include \$50.00 for filing the application with the Commission and \$12.40 for publication of the notice of the hearing thereon.

Prior to the granting to applicant of the rights under Ordinance No. 289 of the City of Santa Paula, applicant had a transmission line in that city pursuant to Franchise Ordinance No. 129. The applicant's witness said that the company applied for and obtained the franchise herein involved for the reason that the prior franchise was due to expire within a few years, and in order to assure continuity of operation in the City of Santa Paula it was necessary to obtain a new franchise.

In addition, the witness said, the company desired to obtain a franchise under the Franchise Act of 1937 which would be

effective for an indefinite period, thus facilitating the sale of the company's bonds to prospective purchasers for the reason that banks and other financial institutions consider it essential that the franchise extend beyond the maturity date of the bonds. Also, he said, the company desired to obtain a new franchise which would be general in nature and unlike the old franchise, would not limit the size of pipe which could be used nor the streets in which such pipe could be installed. The witness said that the applicant does not distribute natural gas in the City of Santa Paula; that Southern Counties Gas Company of California is the company which distributes gas in the city; and that one of applicant's major transmission pipe lines goes through the city. This line, the witness said, is one of applicant's principal transmission lines used to deliver gas into the Los Angeles Metropolitan Area, and is cross-connected to a line of the Southern Counties Gas Company of California near the City of Santa Barbara so that in the event of an outage of the Southern Counties Gas Company of California line the applicant could make gas available for said company's customers within the city.

As applicant does not normally distribute gas in the city it would have no receipts from the sale of gas within the city. The applicant estimated that the 2 percent of the gross annual receipts of the grantee arising from the use, operation or possession of the franchise in the city will amount to approximately \$301.00 per year.

Upon the record herein the Commission finds that public convenience and necessity require the exercise by the applicant of

the rights, privileges and franchise granted to the applicant by the City of Santa Paula Ordinance No. 289. 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 for any amount of money 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

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 findings and based upon said findings,

IT IS HEREBY ORDERED that Southern California Gas Company, a corporation, be and it is hereby granted a certificate that public convenience and necessity require the exercise by it of the rights, privileges and franchise granted to it by Ordinance No. 289 of the City of Santa Paula, State of California, which

ordinance was adopted on the 4th day of March, 1957, by the City Council of said city.

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

Dated at San Francisco, California, this 15th day of October, 1957.

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