

ORIGINAL

Decision No. 55687

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-)	Application No. 39304
venience and necessity require the)	
exercise of the rights and privileges)	
granted by Ordinance No. 762 of the)	
City of Monterey Park, California.)	

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 Franchise Ordinance No. 762 of the City of Monterey Park, California, to lay and use pipes and appurtenances for transmitting and distributing gas for any and all purposes under, along, across and upon the public streets, ways, alleys and places within the City of Monterey Park, California.

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 was no objection.

Applicant's witness testified concerning the following matters:

The franchise referred to, a copy of which is attached to the application and designated Exhibit "A", was granted by the City of Monterey Park in accordance with the Franchise Act of 1937 (Division 3, Chapter 2, California Public Utilities Code), and supersedes the franchise granted by Ordinances Nos. 25 and 307 of the city. Franchise Ordinance No. 762 was adopted on February 11, 1957, became effective on March 13, 1957, and is of indeterminate duration. A fee will be payable annually to the city equivalent to 2 percent of the gross annual receipts of the grantee arising from the use, operation or possession of the franchise, provided that such payment shall in no event be less than 2 percent of the gross annual receipts of the grantee derived from the sale of gas within the limits of the city under the franchise.

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

The costs incurred in obtaining the franchise totaled \$169.70, including \$50.00 for filing the herein application, and \$15.40 for publication of notice of hearings thereon.

The reasons for the securing of the franchise are, first, that the superseded franchises under which the applicant operated in Monterey Park were due to expire shortly and applicant desired to be assured of continuity of operation therein, and, second, the applicant wished to replace the existing limited term franchises with a single municipal 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 customers who consider it essential that the term of the franchise shall extend beyond the maturity date of any bonds. The applicant's witness stated that the exercise of the rights granted under the new ordinance is necessary to enable the company to meet the demands upon it for gas service to existing and prospective customers.

The annual cost of the new franchise will exceed the cost of the superseded franchises. During the year 1956 the applicant paid the City of Monterey Park \$9,405.45 under the then effective franchises. Under the terms of the new franchise for the same period it would have paid the city \$15,708.07.^{1/}

Upon the evidence of 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 Ordinance No. 762 of the City of Monterey Park, California. 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.

^{1/} See pages 4 and 5 of Exhibit No. 1.

- (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 such 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. 762 of the City of Monterey Park, State of California, which ordinance was adopted on the 11th day of February, 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]
Commissioners