

**ORIGINAL**

Decision No. 57133

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 convenience  
and necessity require the exercise of  
the rights and privileges granted by  
Ordinance No. 20 of the City of  
Bellflower, California.

Application No. 40180

T. J. Reynolds, Harry P. Letton, Jr., L. T. Rice  
and Henry F. Lippitt, 2nd, attorneys, by  
L. T. Rice, for applicant.

O P I N I O N

Southern California Gas Company, a corporation, by the above-entitled application, filed on June 13, 1958, requests a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the City of Bellflower, County of Los Angeles, California, to lay and use pipes and appurtenances for transporting 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 July 15, 1958, 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 as Exhibit "A", was granted by the

City of Bellflower in accordance with the Franchise Act of 1937 (Division 3, Chapter 2, California Public Utilities Code), adopted on April 28, 1958, became effective May 28, 1958, 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 the franchise, but not less than 1 percent of the gross annual receipts arising from the sale of gas within the limits of the city pursuant to the franchise.

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

Exhibit No. 3 herein shows that the costs incurred in obtaining the franchise are \$82.33, exclusive of the costs incident to this application which amount to \$55.83 and include \$50.00 for filing the application with the Commission and \$5.83 for publication of notice of hearing thereon.

Prior to the incorporation of the City of Bellflower, on September 3, 1957, applicant's witness said the applicant had been serving the area, which was Los Angeles County territory, pursuant to a Los Angeles County Franchise, and public convenience and necessity require the continuation of the presently rendered service. In addition, he said, the company serves approximately 13,000 customers in the city, the majority of whom are residential customers, and if the services were discontinued these customers would have to replace their household gas appliances with appliances using other types of fuel. Denial of the right to serve Bellflower would seriously impair the value of the company's facilities located therein, thus resulting in a loss to other customers in the system since the Bellflower

area is part of an integrated system, and exercise of the rights granted under the new ordinance is necessary to enable the company to meet demands upon it for gas service to existing and prospective customers.

As of December 31, 1957, applicant served approximately 13,000 customers in the City of Bellflower and had a gross revenue, from all services in the territory now comprising the city, of over \$922,000 for the year 1957. It will pay annually to the city, approximately \$11,931 under the terms of the franchise based on its 1957 revenues.

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 Bellflower Ordinance No. 20. 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.

ORDER

The above-entitled application having been filed, a public hearing having been held thereon, the matter having been submitted, the Commission having made the foregoing finding and based upon said finding,

IT IS HEREBY ORDERED that Southern California Gas Company, a corporation, be and it hereby is 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. 20 of the City of Bellflower, State of California, which ordinance was adopted on April 28, 1958, 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 12th day of August, 1958.

E. J. Fox  
President  
Robert L. ...  
...  
Commissioners

Commissioner Theodore H. Jenner - being necessarily absent, did not participate in the disposition of this proceeding.