

ORIGINAL

Decision No. 57276

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 convenience and necessity require the exercise of the rights and privileges granted by Ordinance No. 120 of the City of Lakewood, California.

Application No. 40072

Milford Springer and Robert Olson, attorneys, by Robert Olson, for applicant.

O P I N I O N

Southern Counties Gas Company of California, a corporation, by the above-entitled application filed on May 8, 1958, requests a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the City of Lakewood, County of Los Angeles, California, to lay and use pipes and appurtenances for transmitting gas for any and all purposes under, along, across or upon certain public streets within said city, described as follows:

Parcel 1.

Beginning at the intersection of Del Amo Boulevard and the West Boundary of the City of Lakewood, 260 feet, more or less, West of the center line of Deeboyar Avenue; thence easterly along Del Amo Boulevard to the common boundary line between the Cities of Lakewood and Long Beach at Lakewood Boulevard.

Parcel 2.

Beginning at the intersection of Del Amo Boulevard and Bellflower Boulevard in the common boundary line between the Cities of Lakewood and Long Beach; thence easterly along Del Amo Boulevard to its intersection with the southerly line of Lot 3, Tract No. 9365, located 1550 feet, more or less, East of Palo Verde Avenue; thence easterly in private property to the easterly city boundary of Lakewood.

A public hearing on the application was held before Examiner Kent C. Rogers on August 4, 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 Exhibit A, was granted by the City of Lakewood in accordance with the Franchise Act of 1937 (Division 3, Chapter 2, California Public Utilities Code), was adopted on May 28, 1957, became effective on June 27, 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 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 the written acceptance of the franchise as required by Section 5 of the ordinance. No bond is required.

The costs incurred in obtaining the franchise are \$373.36, exclusive of the costs incident to this application which amount to \$65.92 and include \$50.00 for filing the application with the Commission and \$15.92 for publication of notice of hearing thereon.

The City of Lakewood was incorporated on April 16, 1954, and Southern California Gas Company furnishes gas service therein. Franchise Ordinance No. 120 of said city authorizes the applicant, among other things, to maintain a 30-inch transmission line through a portion of the city to provide gas service to the Metropolitan Los Angeles Area, particularly the San Pedro-Wilmington portion thereof.

As applicant serves no customers in the City of Lakewood, it will have no revenue derived from the sale of gas within the limits of the city under the franchise. Consequently its payments to the city will be 2 percent of the gross annual receipts of grantee arising from the use, operation or possession of said franchise (the so-called Dinuba formula). These annual payments are calculated by the applicant to be approximately \$331.73.

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 Lakewood Ordinance No. 120. The certificate of public convenience and necessity herein granted is subject to the following provisions of law:

- (a) 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.
- (b) 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, and the Commission having made the foregoing finding and based upon said finding,

IT IS HEREBY ORDERED that Southern Counties Gas Company of California, 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. 120 of the City of Lakewood, California, which ordinance was adopted on May 28, 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 2nd day of September, 1958.

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

Commissioner Ray E. Untereiner, being necessarily absent, did not participate in the disposition of this proceeding.