

ORIGINAL

Decision No. 57628

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. 43 of the City of Pico-Rivera, California.

Application No. 40411

T. J. Reynolds, Harry P. Letton, Jr., and
Henry F. Lippitt, II, for applicant.

O R D E R

Southern California Gas Company, a corporation, pursuant to Section 1002 of the Public Utilities Code, has applied for a certificate that public convenience and necessity require the exercise of a franchise from the City of Pico Rivera, California, granted to applicant by Ordinance No. 43, adopted August 1, 1958, and effective August 31, 1958, copy of which is attached to the application as Exhibit "A".

A public hearing was held in Los Angeles before Examiner Mark V. Chiesa. Proof of publication of the notice of hearing was filed at the hearing. No protests were entered.

Applicant is a public utility distributing and selling gas in certain areas within the central and southern portions of the State of California. Its principal place of business is in Los Angeles.

Applicant's new franchise, obtained pursuant to the provisions of the Franchise Act of 1937, is for an indeterminate period, and authorizes the laying and use of pipes and appurtenances for transmitting and distributing gas for any and all purposes under, along, or upon the streets of the city. It provides for an annual payment equivalent to two percent (2%) of the gross annual receipts of grantee arising from the use, operation or possession of said franchise but not less than one percent (1%) of annual receipts from the sale of gas within the city.

The city did not require a bond. The franchise supersedes a County of Los Angeles franchise, granted by Ordinance No. 6765, within the said city's limits. Applicant has stipulated that it will not claim a value for the franchise in excess of the actual cost thereof which is \$148.18 (Exhibit No. 2).

Applicant is now operating approximately 32 miles of pipe lines and has approximately 3,700 meters serving in the City of Pico Rivera, which has a population of 43,000 persons, more or less. The company serves only the southern portion of the city. Southern Counties Gas Company of California serves approximately 9,000 customers in the city. The companies are not competitive within the city, and the relative service areas are delineated by agreed upon boundaries as revised this year in Application No. 39636 (First Amended) and Decision No. 56878 of this Commission.

Since the City of Pico Rivera was not incorporated until January 29, 1958, it has been necessary to estimate the revenues within the incorporated area for the calendar year 1957. Based on the estimated average meters for the year 1957 and actual

revenues for that year from interruptible industrial customers within the present incorporated area, it is estimated that the revenue for 1957 from the incorporated area was approximately \$287,000. Of this total, approximately \$2,000 represents revenue from interruptible industrial customers and the balance of \$285,000 is firm service revenue. A franchise payment of \$4,270.72 was estimated for the year 1957.

The Commission having considered the evidence of record is of the opinion and finds that public convenience and necessity require the exercise of said franchise. The application will be granted.

The certificate of public convenience and necessity herein granted is subject to the following provision 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 matter, 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 California Gas Company, a corporation, authorizing it to exercise the rights and privileges granted by the City of Pico Rivera, California, by Ordinance No. 43, adopted August 1, 1958.

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

Dated at San Francisco, California, this 25th day of November, 1958.

[Signature]
President

[Signature]

[Signature]
Commissioners

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