

ORIGINAL

Decision No. 58282

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 certifi-
cate that public convenience and
necessity require the exercise of
the rights and privileges granted by
Ordinance No. 2695 of the City of
Santa Barbara, California.

Application No. 40792

Milford Springer and Robert M. Olson, Jr., for
applicant.

O P I N I O N

Southern Counties Gas Company of California, a corporation, is applying under Section 1002 of the Public Utilities Code for a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the City of Santa Barbara, permitting the construction and operation of a gas distribution system within said city, as more specifically set forth in Ordinance No. 2695 of the said city, a copy of which is attached to the application and marked Exhibit A.

A public hearing was held before Examiner Mark V. Chiesa at Los Angeles, California. A notice of hearing was published as required. Evidence having been adduced, the matter was submitted for decision.

Applicant renders natural gas service in the City of Santa Barbara. Such service has heretofore been rendered pursuant

to a twenty-five year franchise granted by Ordinance No. 1655 which franchise will expire on August 24, 1959.^{1/} On December 11, 1958, Franchise Ordinance No. 2695 was enacted by the City granting to applicant a new twenty-five year franchise. The new franchise was granted pursuant to the provisions of Article I of the Charter of the City of Santa Barbara, and pursuant to the provisions of Division 3, Chapter 2, of the Public Utilities Code of the State of California. The franchise provides for a fee payable annually to the City equivalent to two percent (2%) of the gross annual receipts of the company, arising from the use, operation or possession of the franchise, provided that the payment in no event shall be less than one percent (1%) of the gross annual receipts derived by the company from the sale of gas within the limits of the City under the franchise.

For the twelve months ending December 31, 1958, applicant's revenue from the sale of gas under the present franchise was \$1,499,838, and the number of active meters as of December 31 was 18,781. Gas sales in thousand cubic feet were 1,822,862, and the miles of main were 194.07 of which 23.79 miles were on private right of way and 170.28 on public right of way. Applicant has estimated an annual franchise fee of two percent (2%) or \$25,859.01 based on the year 1958. Costs incurred in acquiring the franchise were \$156.08.

The application is not opposed, and the Commission having considered the matter, hereby finds as a fact that public convenience

^{1/} Decision No. 27586, dated December 10, 1934, granted applicant a certificate of public convenience and necessity to exercise rights under Ordinance No. 1655.

and necessity require the exercise by applicant of the right, privilege and franchise granted by Ordinance No. 2695 of the City of Santa Barbara.

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 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, the Commission being fully advised in the premises and having found facts as hereinabove set forth,

IT IS ORDERED that a certificate of public convenience and necessity be and it hereby is granted to Southern Counties Gas Company of California to exercise the rights and privileges granted

by the City of Santa Barbara by Ordinance No. 2695, adopted
December 11, 1958.

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

Dated at San Francisco, California,
this 21st day of April, 1959.

E. L. Fox
President

W. L. [unclear]

Matthew [unclear]

Theodore [unclear]

Commissioners

Commissioner Everett C. McKee, being
necessarily absent, did not participate
in the disposition of this proceeding.