

Decision No. 59175**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PACIFIC LIGHTING GAS SUPPLY COMPANY,
 a corporation, under Sections 1002
 and 1005 of the Public Utilities Code
 for a certificate that public con-
 venience and necessity require the
 exercise of the rights and privileges
 granted by Ordinance No. 113,986 of
 the City of Los Angeles.

Application No. 41379

O. C. Sattinger, General Counsel, by R. D. Twomey, Jr.,
 for Pacific Lighting Gas Supply Company,
 applicant.

O P I N I O N

Pacific Lighting Gas Supply Company in this proceeding asks for a certificate of public convenience and necessity to exercise the rights and privileges of a resettlement franchise granted by the City of Los Angeles, permitting the installation, maintenance and use of pipe lines and other facilities in certain streets of said city as set forth in detail in said ordinance.

A public hearing was held before Examiner Kent C. Rogers in Los Angeles on September 11, 1959.

The franchise referred to, a copy of which is attached to the application and designated as Exhibit "A", is for a period of twenty years and expires on August 24, 1979. The franchise replaces and supersedes two franchises granted by the city, one by Ordinance No. 102,316 and one by Ordinance No. 105,800. By the terms of the franchise, the existing Los Angeles franchises of applicant are

superseded and replaced. In addition, under the resettlement franchise here involved, applicant will be enabled under Section 2.3 thereof to add to its facilities which exist under the superseded and replaced franchises additional pipe lines desired by the applicant in new locations without having to go through additional franchise procedures for the said pipe lines. The new franchise here involved does not presently cover any new area in the City of Los Angeles, but is intended to cover territory occupied by the applicant under its two superseded and replaced franchises plus any additional lines subsequently added in the city.

A fee is payable annually at the rate of 20 cents per cubic foot of space occupied by the franchise facilities in certain streets, and 40 cents per cubic foot in other streets. Under the new franchise, payments for certain lines will be higher while those for other lines will be lower. The previous annual payments totaled approximately \$3,114, and, under the resettlement franchise payments, payments to the city will be approximately \$4,280.

The cost incurred by applicant in obtaining the franchise is \$300, which amount does not include costs incident to this application.

The reason for obtaining the franchise is that for several years the City of Los Angeles has granted practically nothing but specific route franchises for individual pipe lines. After several conferences with industry representatives, a uniform type of franchise to replace the several types of franchises the company might have was adopted by the city. This new type of franchise is called a resettlement franchise. It cancels and supersedes any existing franchise a company might have, and also makes possible the addition

of more facilities under the resettlement franchise without going through the elaborate and expensive new franchise procedure with each addition. Under Section 2.4 of the resettlement franchise, the two existing franchises of applicant are superseded and replaced. Applicant will also benefit through the procedure of acquiring the resettlement franchise as applicant will be entitled, under Section 2.3 thereof, to add to its facilities which exist under the superseded and replaced franchises additional pipe lines in new locations. Section 2.3 of the resettlement franchise provides applicant with a much simpler and faster procedure for installation of additional desired pipe lines in the City of Los Angeles.

No objection to the granting of the requested certificate has been entered. It is the Commission's opinion, and it is found, that public convenience and necessity require the exercise by the applicant of the rights, privileges and franchise granted to applicant by Ordinance No. 113,986 of the City of Los Angeles, and that the requested authority should be granted.

The certificate of public convenience and necessity herein granted is subject to the following provision of law:

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.

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 now being ready for decision,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be, and it hereby is, granted to Pacific Lighting Gas Supply Company to exercise the rights, privileges and franchise granted by the City of Los Angeles by Ordinance No. 113,986, adopted on July 2, 1959, by the City Council of the City of Los Angeles.

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

Dated at San Francisco, California, this 9th day of October, 1959.

[Signature]
President

[Signature]

[Signature]

[Signature]
Commissioners

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