

Decision No. 65804**ORIGINAL**

## 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. 565 of the City of Selma, )  
 California. )

Application No. 46053

O P I N I O N

Southern California Gas Company, in this proceeding, requests a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the City of Selma, California, permitting the installation, maintenance, and use of a gas distribution and transmission system in the streets of said city.

The franchise referred to, a copy of which is attached to the application and designated as Exhibit A, was granted by the city in accordance with the Franchise Act of 1937 on February 4, 1963, became effective March 6, 1963, was accepted by applicant on February 15, 1963 and is of indeterminate duration. A fee is payable annually to the city equivalent to 2 percent of the gross receipts arising from the use, operation, or possession of the franchise, but not less than 1 percent of the gross annual receipts from sales of gas within the limits of the city under said franchise.

The costs incurred by applicant in obtaining the franchise are stated to have been \$83.10, which amount does not include costs incident to this application.

Applicant has served gas in and about the City of Selma for many years, but subject to an agreement with Pacific Gas and Electric Company, dated January 4, 1956, which determined the respective service areas of the two companies in the County of Fresno in and around the City of Selma (Boundary Index Map, Original Cal. P.U.C. Sheet No. 7895-C, Exhibit C. The Commission approved the agreement by Resolutions Nos. G-1026 and G-1027.). Applicant alleges that it will not exercise its Selma franchise for the purpose of supplying gas service contrary to the terms of the aforementioned agreement.

As of October 31, 1963, applicant served 19 customers within the city from approximately 1.59 miles of gas mains therein. No objection to the granting of the requested certificate has been received. A public hearing is not necessary.

After consideration the Commission finds that public convenience and necessity require the exercise by applicant of the right, privilege and franchise granted to applicant by Ordinance No. 565 of the City of Selma, California.

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

1. 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. 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

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Southern California Gas Company to exercise the rights and privileges granted by the City of Selma, California, by Ordinance No. 565, adopted February 4, 1963.

2. Applicant shall exercise said franchise subject to and in accordance with the terms and conditions of that certain agreement between applicant and Pacific Gas and Electric Company, dated January 4, 1956, referred to in the foregoing opinion.

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

Dated at San Francisco, California, this 18<sup>th</sup> day of FEBRUARY, 1964.

*William B. Smith*  
President

*Robert L. Smith*

*Carol W. Page*

*George L. Trover*

*Fredrick B. Heloff*  
Commissioners