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ORIGINAL

Decision No. 67790

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.)
1521 New Series of the City of)
Bakersfield, California.)

Application No. 46626
(Filed May 8, 1964)

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 Bakersfield, 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 on March 23, 1964 in accordance with the Franchise Act of 1937, was accepted by applicant on March 27, 1964, became effective April 22, 1964 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.

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The costs incurred by applicant in obtaining the franchise are stated to have been \$76.64, which amount does not include costs incident to this application.

Applicant presently operates in unincorporated areas of the County of Kern under a 50-year county franchise (Ordinance No. F-63, adopted March 6, 1962, effective April 5, 1962; Decision No. 64121, dated August 17, 1962, Application No. 44462) and pursuant to an agreement with Pacific Gas and Electric Company, dated September 17, 1961, which determined the respective service areas of the two companies within the county. (Decision No. 62681, dated October 17, 1961, Application No. 43146. The respective service areas are shown on a map, Southern California Gas Company Original Cal. P.U.C. Sheet No. 8604-G, attached to the application herein as Exhibit C thereof.)

Applicant alleges that it sought and obtained a franchise from the City of Bakersfield because it preferred to operate within the city under a city franchise. As of December 31, 1963 applicant served six customers within the City of Bakersfield and had .49 miles of gas mains therein.

Applicant also alleges that it will not exercise the franchise granted by the City of Bakersfield for the purpose of supplying gas service in that city contrary to the terms and conditions of the agreement with Pacific Gas and Electric Company hereinabove referred to.

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. 1521 N.S. of the City of Bakersfield, 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 Bakersfield, California, by Ordinance No. 1521 N.S., adopted March 23, 1964.

2. Southern California Gas Company shall not exercise said franchise for the purpose of supplying gas service in those parts or portions of the City of Bakersfield not now served by it, ✓

except through extensions of its existing system made in the ordinary course of business as contemplated by Section 1001 of the Public Utilities Code of California, nor contrary to the terms and conditions in the agreement between applicant and Pacific Gas and Electric Company, dated September 17, 1961.

3. The Commission may hereafter, by appropriate proceeding and order, limit the authority herein granted to Southern California Gas Company as to any territory within the City of Bakersfield not then being served by it.

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

Dated at San Francisco, California, this 1st day of September, 1964.

Fredrick B. Holoboff
President

George T. Trover

William W. Bennett

Commissioners

Commissioners

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