

ORIGINALDecision No. 71311

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SOUTHERN CALIFORNIA GAS COMPANY)
under Section 1002 of the Public)
Utilities Code for a certificate)
that public convenience and neces-)
sity require the exercise of the)
rights and privileges granted by)
Ordinances Nos. 385 and 465 of the)
County of Ventura, California.)

Application No. 48646
Filed July 21, 1966;
Amended August 23, 1966

O P I N I O N

Southern California Gas Company requests a certificate of public convenience and necessity, in two areas identified as "A" and "B" on the map attached to the application as Exhibit B, to exercise the rights and privileges granted by the County of Ventura, California, in two franchise ordinances permitting the installation, maintenance, and use of a gas distribution and transmission system in the public highways of the unincorporated area of said county.

The franchises, copies of which are attached to the application as Exhibit A, were granted by the County in accordance with the Broughton Act. Ordinance No. 385 was granted for a term of 40 years, effective July 13, 1944, and Ordinance No. 465 was granted for a term of 40 years, effective July 27, 1951.

Decision No. 37519 (Application No. 26296) on November 28, 1944, authorized applicant to exercise the rights and privileges of Ordinance No. 385 for the transportation, transmission, and exchange with and sale to Southern Counties Gas Company of California of natural gas. Decision No. 46514 (Application No. 32696) on December 11, 1951, authorized applicant to exercise the rights and

privileges of Ordinance No. 465, subject to the condition that applicant not use the certificate for the distribution of natural gas in Ventura County without first having obtained authorization of the Commission. Heretofore, Southern Counties Gas Company of California has been the sole public utility distributor of natural gas within the County of Ventura.

The two areas for which applicant requests a certificate currently are within the service territory of Southern Counties Gas Company of California. However, authority to change the intercompany boundary of these affiliate companies has been requested by said companies in concurrent advice letters.

Applicant states that development of a number of housing tracts is currently under way in the western portion of Los Angeles County and the eastern portion of Ventura County in the general vicinity of the Ventura Freeway. One of the developments overlies the existing intercompany boundary between applicant and Southern Counties Gas Company of California. Future tract developments may also do so. In the area herein being considered the intercompany boundary coincides with the boundary line between Ventura County and Los Angeles County. This boundary was established in 1958 when there was no indication of the development now taking place.

Because of the current development in the area, applicant and Southern Counties Gas Company of California have made a study to determine what changes in the intercompany boundary must be made in order to achieve the most logical and efficient service to this general area, and to avoid having different portions of a single tract served by different gas utilities at different rates.

The areas in Ventura County marked "A" and "B" on Exhibit B are isolated from Southern Counties Gas Company of California's existing operating and service facilities by mountainous

terrain and there is no natural gas service at present except for two small farm taps from a transmission line of applicant in Area "B". Transfer of areas "A" and "B" from Southern Counties Gas Company of California is logical in that prospective natural gas customers will be in closer proximity to the operating and service base of applicant than to that of Southern Counties Gas Company of California. This will facilitate general maintenance on the distribution system, meter reading and customer contacts, including the making of customer service calls. Furthermore, assuming current rates, the transfer of the service areas will result in the great majority of future customers paying for natural gas service at lower rates. Both of the existing farm-tap customers will pay at applicant's lower current rates for natural gas service.

Applicant does not state the costs it incurred in obtaining said franchises, but it stipulated that it will not claim a value for the franchises and certificate of public convenience and necessity in excess of the actual cost thereof.

We find that public convenience and necessity require the exercise by applicant of the rights and privileges granted in the franchises by Ordinance No. 385 and Ordinance No. 465 of the Board of Supervisors of the County of Ventura to distribute natural gas in areas "A" and "B" shown on the map attached to the application as Exhibit B.

The certificate of public convenience and necessity issued herein 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 the certificate of public convenience and necessity, or the right to own, operate or enjoy such franchises 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 issuance of such franchises, certificate of public convenience and necessity or right.

- 2. The franchises 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.

ORDER

IT IS ORDERED that a certificate of public convenience and necessity is granted to Southern California Gas Company to exercise the rights and privileges granted by the County of Ventura by Ordinance No. 385, adopted June 13, 1944 and by Ordinance No. 465, adopted June 26, 1951, to distribute natural gas in the areas identified as "A" and "B" on the map attached to the application as Exhibit B.

The effective date of this order shall be the date hereof.

Dated at Los Angeles, California, this 20th day of SEPTEMBER, 1966.

President

Frederick B. Soloboff

William B. Brown
W. J. Gator
Commissioners

Commissioner George G. Grover
present but not voting.

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