

Decision No. 79581

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.)
71-20 of the City of Claremont,)
California.)

Application No. 52960
(Filed October 28, 1971)

O P I N I O N

This is an application by Southern California Gas Company seeking authority to exercise the rights and privileges granted it by a franchise from the City of Claremont.

Applicant is engaged in the purchase, distribution and sale of gas within the central and southern portions of the State of California. The verified application avers that applicant serves approximately 6,626 customers and has approximately 79.74 miles of gas mains in Claremont; that applicant's operations in Claremont have been conducted under a 40-year franchise granted in 1931 and that on September 13, 1971 the City Council of the City of Claremont enacted Ordinance No. 71-20 which grants it another 40-year franchise. It is necessary for applicant to exercise the franchise in order to continue its operations in Claremont. Southern California Gas Company has included in the application a stipulation that it will not claim before this Commission or any court or other public body any value for the franchise in excess of its original cost which is stated to be the sum of \$165.86.

Ordinance No. 71-20 is attached to the application as Exhibit A. Examination of the ordinance indicates that the franchise

granted therein is of the standard type between gas utilities and cities. It provides for a payment of 2 percent of applicant's annual gross receipts arising from the use, operation or possession of the franchise, provided however, that such payment shall in no event be less than 1 percent of the gross annual receipts of the applicant derived from the sale of gas within the city limits.

The Commission makes the following findings and conclusions in this matter.

Findings of Fact

1. A public hearing is not necessary in this matter.
2. Public convenience and necessity require the exercise by Southern California Gas Company of the rights and privileges granted in the franchise conferred by Ordinance No. 71-20 of the City Council of the City of Claremont.

Conclusions of Law

1. The application should be granted.
2. The certificate of public convenience and necessity issued herein is subject to the following provisions of law:
 - (a) 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 issuance of such franchise, certificate of public convenience and necessity or right.
 - (b) 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 a certificate of public convenience and necessity is granted to Southern California Gas Company to exercise the rights and privileges conferred by the franchise issued pursuant to Ordinance No. 71-20 of the City Council of the City of Claremont.

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

Dated at San Francisco, California, this 1st day of JANUARY, 1972

[Signature]
Chairman
William J. Lyons
[Signature]
[Signature]
[Signature]
Commissioners