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ORIGINAL

Decision No. 79584

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. )  
37 of the City of Loma Linda, )  
California. )

Application No. 52945  
(Filed October 22, 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 Loma Linda.

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 presently serves approximately 2,757 customers and has approximately 24 miles of gas mains in Loma Linda. Applicant has been serving Loma Linda under a franchise from the County of San Bernardino. On August 24, 1971, the City Council of the City of Loma Linda enacted Ordinance No. 37 which grants applicant the right to indefinitely conduct its gas business in that city. The application states that the new franchise will be of value to applicant in connection with the qualification of its bonds. 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 \$143.80.

Ordinance No. 37 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 out of the use, operation or possession of the particular 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 is of the opinion that the application should be granted. No other points require discussion.

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

Findings of Fact

The Commission finds that:

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. 37 of the City Council of the City of Loma Linda.

Conclusions of Law

The Commission concludes that:

1. The application should be granted.
2. 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 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.



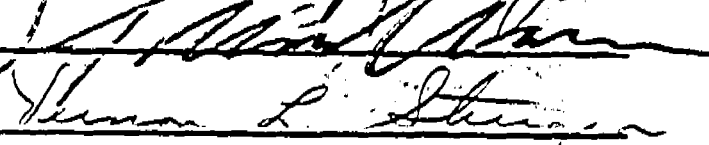

2. The franchise involved herein shall never be given any value before any court or other public authority in any proceeding of any character in excess of the cost to the grantee of the necessary publication and any other sum paid by it to the municipality therefor at the time of the acquisition thereof.

O R D E R

IT IS ORDERED that 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. 37 of the City Council of the City of Loma Linda.

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

Dated at San Francisco, California, this 11<sup>th</sup> day of JANUARY, 1972.

  
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Chairman  
  
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Commissioners