

Decision No. 86368

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 Section 1002 of the Public Utilities Code, for a Certificate that Public Convenience and Necessity require the exercise of the rights and privileges as allowed by a general operating franchise granted by the City of Signal Hill to SOUTHERN CALIFORNIA GAS COMPANY in Ordinance No. 76-1-742, February 3, 1976 to operate, among other things, a gas transmission system in the City of Signal Hill, California.

Application No. 56567  
(Filed June 15, 1976)

### O P I N I O N

This is an application by Southern California Gas Company (SoCal) to exercise the rights and privileges granted by Ordinance No. 76-1-742 of the City of Signal Hill, California. This ordinance was enacted by the City of Signal Hill on February 3, 1976. A copy of the ordinance is attached to the application as Exhibit A.

Ordinance No. 76-1-742 grants to SoCal, its successors and assigns, for an indeterminate term in the future, the right, privilege and franchise to lay and use pipes and appurtenances for transmitting gas for any and all purposes under, along, across, or upon the public streets, ways, alleys and places, as the same now or may hereafter exist, within the City limits of Signal Hill.

The ordinance also states that the grant is made in lieu of all other franchises, rights or privileges owned by SoCal in the City of Signal Hill and that during the life of the franchise, SoCal shall pay (2%) of its gross annual receipts arising from the use, operation or possession of the franchise to the City of Signal Hill.

SoCal presently transmits and distributes gas in the City of Signal Hill. On March 15, 1954 the City of Signal Hill City Council enacted Ordinance No. 385, which granted SoCal a 20-year franchise. This franchise has now expired. SoCal represents that in order to continue the delivery of gas to the City of Signal Hill, SoCal applied to and received from the City of Signal Hill a new franchise granted by Ordinance No. 76-1-742 which renews SoCal's authority to maintain its pipelines and facilities presently within the Signal Hill City Limits.

Applicant has stipulated in its application that neither it nor its successors or assigns will ever claim before this Commission, or any other court or body, a value for the franchise and certificate in excess of the original actual cost thereof, represented to be \$122.86.

#### Findings

1. Southern California Gas Company (SoCal) is now engaged in the transmission of natural gas for the City of Signal Hill.
2. SoCal has obtained a franchise to transmit and distribute gas in the City of Signal Hill pursuant to Ordinance No. 76-1-742 of the City of Signal Hill.
3. Public convenience and necessity require the exercise by SoCal of the rights, privileges, and duties granted by the franchise conferred by Ordinance No. 76-1-742 of the City of Signal Hill County of Riverside.
4. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

#### Conclusions

1. The application should be granted in accordance with the findings.
  2. A public hearing is unnecessary.
- Southern California Gas Company is placed on notice that operative rights, as such, do not constitute a class of property

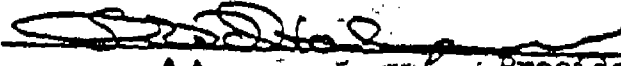
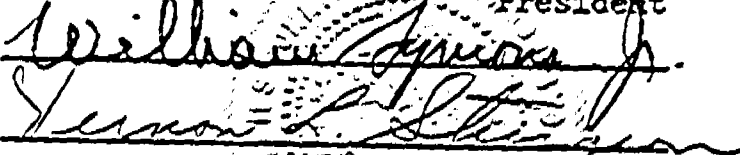

which may be capitalized or used as an element of value in rate fixing for any amount of money in excess of that originally paid to the State as the consideration for the grant of such rights. Aside from their purely permissive aspect, such rights extend to the holder a full or partial monopoly of a class of business. This monopoly feature may be modified or cancelled at any time by the State, which is not in any respect limited as to the number of rights which may be given.

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, privileges, and duties conferred by the franchise issued pursuant to Ordinance No. 76-1-742 of the City of Signal Hill.

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

Dated at San Francisco, California, this  
14th day of SEPTEMBER, 1976.

  
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President  
  
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Commissioners