

Decision No. 88995 JUN 27 1978

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. 19 of the City of Lancaster, California.

Application No. 58056
(Filed May 5, 1978)

O P I N I O N

This is an application by Southern California Gas Company (Applicant) for a certificate of public convenience and necessity authorizing Applicant to exercise the rights and privileges of a franchise granted by the City of Lancaster, California (City). This franchise was granted by Ordinance No. 19, which ordinance was adopted by the City on February 6, 1978, pursuant to the provisions of the Franchise Act of 1937, was effective retroactively to November 22, 1977, and runs for an indeterminate period in the future. A copy of the ordinance is attached to the application as Exhibit "A".

The franchise gives Applicant the right to lay and use pipes and appurtenances for transmitting and distributing gas for any and all purposes under, along, across, or upon the streets of the City, and supersedes a general county franchise, County of Los Angeles.

Examination of the ordinance indicates that the franchise granted therein is of the standard type between gas utilities and cities. It provides that Applicant shall pay to the City a sum annually of two percent (2%) of the gross annual receipts arising from the use, operation, or possession of the franchise, provided, however, that such payments shall in no event be less than 1% of the gross annual receipts of the Applicant derived from the sale of gas within the limits of the City.

Applicant has stipulated in its application that in consideration of the granting of the certificate of public convenience and necessity it will never claim before this Commission, or other court or body, a value for that franchise and the certificate in excess of the original cost thereof; namely, the \$75 filing fee paid to this Commission and \$21.60 for advertising costs of Ordinance No. 19, for a sum total of \$96.60.

Findings

1. Applicant has been distributing gas in the City of Lancaster under a general county franchise granted by the County of Los Angeles.
2. Applicant is now applying for a certificate of public convenience and necessity to exercise the rights and privileges of a new franchise granted by Ordinance No. 19 of the City of Lancaster, which became retroactively effective on November 22, 1977.
3. Public convenience and necessity require the exercise by Applicant of the rights and privileges of the franchise granted to it by Ordinance No. 19 of the City of Lancaster.

Conclusions

1. The application should be granted in accordance with the findings.

2. A public hearing is unnecessary.

3. The certificate of public convenience and necessity granted 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 grant 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 granted by the City of Lancaster by Ordinance No. 19, adopted February 6, 1978.

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

Dated at San Francisco, California, this 27th day of JUNE, 1978.

William Sproule Jr. President
Verizon J. Stryker
Charles D. Howell
Clare J. Deibel Commissioners

Commissioner Robert Batkovich, being necessarily absent, did not participate in the disposition of this proceeding.