Decision No. 18945.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of PACIFIC GAS AND ELECTRIC COMPANY, a corporation, for an order of the Railroad Commission of the State of California, granting to applicant a certificate of public convenience and necessity to exercise the right, privilege and franchise granted to applicant by Ordinance No. 172 of the Board of Trustees of the City of Red Bluff, County of Tehama, State of California. ORIGINAL

Application No. 13945.

C. P. Cutten, R. W. DuVal, By R. W. DuVal, for Applicant.

BY THE COMMISSION:

<u>O P I N I O N</u>

In this application, Pacific Gas and Electric Company asks the Railroad Commission for an order certifying that public convenience and necessity require the exercise by it of the rights and privileges of franchise granted by the City of Red Bluff.

A public hearing before Examiner Satterwhite was held October 13, 1927, at which time testimony was introduced and the matter submitted for decision. No one appeared to oppose the granting of the application.

It appears that the Pacific Gas and Electric Company has in the past been distributing gas in the City of Red Bluff through rights acquired from its predecessor companies under and pursuant to the provisions of Section 19 of Article XI of the Constitution

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of the State of California, as the same existed prior to its amendment on the lOth day of October, 1911. There is some doubt that this authority is broad enough to cover the gas operations of the company other than for the purpose of distributing gas for lighting. On June 6, 1927, the Board of Trustees of the City of Red Bluff awarded applicant a franchise (Ordinance No. 172) to use for the purpose of transmitting, conducting and distributing gas for heat and power purposes, the gas mains maintained or used by applicant for the purpose of supplying the City or its inhabitants with gas light. This franchise, a copy of which is attached to the application, expires on the 1st day of January, 1960, and carries the usual provision for a tax of two (2) per cent upon the gross revenue. No other gas utility is operating within the City of Red Bluff.

Applicant has filed with this Commission a resolution of its Board of Directors to the effect that applicant, its successors or assigns, will never claim before the Railroad Commission or any court or public body any value for the aforesaid franchise in excess of the actual cost thereof, which cost is stated to be One Hundred Dollars (\$100.00).

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Pacific Gas and Electric Company having applied to the Railroad Commission for an order certifying that public convenience and necessity require and will require the exercise of the rights and privileges granted to it by the City of Red Bluff under Ordinance No. 172, a public hearing having been held, the matter having been submitted and now being ready for decision,

The Railroad Commission of the State of California here-

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by certifies and declares that public convenience and necessity require and will require the exercise by the Pacific Gas and Electric Company of the rights and privileges granted by Ordinance No. 172, of the Board of Trustees to the City of Red Bluff.

The authority herein granted shall be effective from and after the date of this order.

Dated at San Francisco, California, this 25^{-1} day of 1927.

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Commissioners.