

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the matter of the Application of)
Santa Barbara Telephone Company for)
a Certificate of Public Convenience)
and Necessity to exercise the rights)
and privileges granted by City of)
Santa Barbara, and ordained by Ordin-)
ance No. 965 passed by Council of)
said City, May 16, 1918, effective)
June 20, 1918, and repealing all or-)
dinances and parts of ordinances in)
conflict therewith.)

Application No. 3836.

G. B. Bush, for Petitioner
W. P. Butcher, for City of
Santa Barbara.

Gordon, Commissioner.

O P I N I O N

This is an application by Santa Barbara Telephone Company asking that the Railroad Commission make its order declaring that public convenience and necessity require the exercise by petitioner of the rights and privileges granted to it by Ordinance No. 965 of the City of Santa Barbara, adopted May 16, 1918 and effective June 20, 1918.

A public hearing was held in Santa Barbara on July 13, 1918. No one appeared in opposition to the granting of the petition.

Petitioner is now operating in the City of Santa Barbara under two franchises, one of which was granted by Ordinance No. 444 and expires August 21, 1935, the other by Ordinance No. 725, expiring January 1, 1937. Ordinance No. 965 was granted by the City of Santa Barbara in accordance with the requirements of the City Charter. It repeals all ordinances and parts of ordinances in conflict therewith.

Except that the franchise granted by Ordinance No. 965 runs for a period of fifty years from its effective date, or until June 20, 1968, its conditions are in all essential particulars the same as those contained in the former franchises. It grants to petitioner, its successors and assigns the right to construct and maintain the usual necessary facilities for carrying on a general telephone and telegraph business within the City. It provides also for the payment by the owner or holder of the franchise to the City of a percentage of the gross receipts accruing under its possession and operation as provided by the Broughton Act, and for the free use by the City of certain designated service and facilities. Other conditions to which it is not necessary here to refer are also provided for. Under its Charter the City of Santa Barbara is not required to advertise for bids for the sale of franchises and accordingly this franchise was granted without any payment in cash therefor by petitioner.

The date of maturity of bonds issued by petitioner is July 1, 1946. Petitioner states that it is preparing an application to the State Banking Department for a certificate that its bonds are legal as investment for funds of savings banks and trust companies, and in order that such certificate may issue, it is required that the term of petitioners franchise continue beyond the date of maturity of bonds. It is for the purpose of meeting this requirement that petitioner has secured this franchise and is now seeking the authority of the Railroad Commission to exercise the rights and privileges granted thereby.

We recommend that the petition be granted, subject to the conditions contained in the order herein, and submit the following form of order.

ORDER

Santa Barbara Telephone Company, petitioner herein, having filed the above entitled application asking the Railroad Commission

to make its order as specified in the opinion herein, and a public hearing having been held on said application,

THE RAILROAD COMMISSION HEREBY DECLARES that public convenience and necessity require the exercise by Santa Barbara Telephone Company, its successors and assigns, of the rights and privileges conferred by Ordinance No. 965 adopted by the City of Santa Barbara on May 16, 1918 effective June 20, 1918, entitled "An ordinance granting to Santa Barbara Telephone Company, a corporation, its successors and assigns, the right, privilege and franchise to place, erect and maintain poles, wires and other appliances and conductors, and to lay underground conductors for wires for the transmission of electricity for telephone and telegraph purposes in, upon and under the streets, alleys, avenues, thoroughfares, highways and public places in the city of Santa Barbara, State of California, and to exercise the privilege of operating telephone and telegraph instruments and of doing a telephone and telegraph business within said city of Santa Barbara, and prescribing terms and conditions and limitations under the right hereby granted may be exercised and providing further for a revocation of the rights hereby granted in case the terms and conditions herein are not complied with".

PROVIDED that the said Santa Barbara Telephone Company shall first have filed with the Railroad Commission its stipulation agreeing for itself, its successors and assigns, that it will never claim before the Railroad Commission of the State of California or any other public authority, any value for the rights and privileges conferred by Ordinance No. 965 of the City of Santa Barbara in excess of the amount actually paid to

the City of Santa Barbara, as the consideration for the grant of such franchise, and shall have secured from this Commission a supplemental order or orders herein declaring that such stipulation in form satisfactory to this Commission has been filed.

Dated at San Francisco, California, this 26th
day of July, 1918.

Edwin C. Edgerton
W. H. Loveless
W. H. Gordon

Commissioners.