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ORIGINAL

Decision No. 8754.

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

* * *

In the Matter of the Application of)
THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY,)
a corporation, for an order of the Railroad)
Commission of the State of California grant-)
ing it a certificate that public conve-)
nience and necessity require the exercise)
by it of the rights and privileges con-)
ferred upon it under the franchise granted)
it by the Board of Trustees of the City of)
Merced by Ordinance No. 194 on September 7,)
1920.)

Application
Number
6405.

H.D. Pillsbury for applicant.

BRUNDIGE, Commissioner.

O P I N I O N.

THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY asks the Railroad Commission to declare that public convenience and necessity require the exercise by applicant of the rights and privileges conferred upon it by Ordinance No. 194, passed September 7, 1920, by the Board of Trustees of the City of Merced.

A copy of the ordinance has been filed in this proceeding and is marked applicant's Exhibit "B". In general, the ordinance granted to The Pacific Telephone and Telegraph Company, its successors and assigns, for a term of 25 years, gives applicant the right and privilege to do a general telephone and telegraph business within the City of Merced and to construct, maintain and operate the necessary telephone and telegraph lines and facilities, all subject to the

conditions of the ordinance.

Among other things, the ordinance requires applicant, its successors and assigns to pay during the life of the franchise, to the City of Merced, 2 per cent of the gross annual receipts arising from the use, operation and possession of the franchise and privileges, including that portion of the long distance business credited to the exchange of the City of Merced. The City of Merced is also to have the use, without charge, of certain specified facilities for police and fire alarm purposes.

Applicant reports that it paid \$150.00 for the franchise and privileges covered by Ordinance No. 194 to the City of Merced and that no other public utility is engaged in the telephone and telegraph business in Merced.

I herewith submit the following form of Order.

O R D E R.

THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY having asked the Railroad Commission to declare that public convenience and necessity require applicant to exercise the rights and privileges granted it by the City of Merced under Ordinance No. 194 passed September 7, 1920, a public hearing having been held and it appearing to the Railroad Commission that public convenience and necessity require the construction, operation and maintenance of the telephone plant and system referred to in said ordinance and that there are no public utilities of a like character at present operating within the territory involved in this proceeding;

NOW, THEREFORE, THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require and will require the exercise by The Pacific Telephone and Telegraph Company of the rights and privileges conferred upon it by Ordinance No. 194, passed on September 7, 1920, by the Board of Trustees of

the City of Merced, provided that neither applicant, its successors or assigns, will ever claim before the Railroad Commission, or any other public body having jurisdiction, a value for said franchise or privileges covered by said ordinance for rate-fixing or any other purposes, in excess of \$150.00, the amount actually paid to the City of Merced as a consideration for the granting of said franchise or privileges.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 17th day of March, 1921.

Frank P. Miller
H. D. Loveland
H. W. Brundage
Livingston

Commissioners.