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ORIGINAL

Decision No. 8726.

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 gran-)
ting it a certificate that public convenience)
and necessity require the exercise by it of)
the rights and privileges conferred upon it)
under the franchise granted it by the City)
Council of the City of Modesto by Ordinance)
No. 188 N.S. on October 27, 1920.)

Application
Number
6489

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. 188 N.S. finally adopted on November 10, 1920, by the City Council of the City of Modesto.

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 five years, gives applicant the right and privilege to do a general telephone and telegraph business within the City of Modesto 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 Modesto, 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 Modesto. The City of Modesto is also to have the use, without charge, of certain specified facilities for police and fire alarm purposes.

Applicant reports that it paid \$800.00 for the franchise and privileges covered by Ordinance No. 188 N.S. to the City of Modesto, that no other public utility is engaged in the telephone and telegraph business in Modesto, and that at present it has 2292 subscribers to its telephone service in Modesto.

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 to it by the City of Modesto under Ordinance No. 188 N.S. finally passed November 10, 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. 188 N.S., finally passed on November 10, 1920, by the City Council of the City of Modesto, provided that neither applicant, its successors and 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 \$800.00, the amount actually paid to the City of Modesto 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 DeWitt
H. D. Loveland
H. W. Bunnage
Jessie Mattie

COMMISSIONERS.