

Decision No. 23364

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of Pacific Gas and Electric Company, a corporation, for a preliminary order or orders under Section 50 (c) of the Public Utilities Act declaring that the Railroad Commission will, upon application therefor, after applicant has obtained the franchise which it contemplates securing for Modoc County, issue the necessary certificate declaring that the present and future public convenience and necessity require or will require the exercise of the right or privilege to be granted by said contemplated franchise.

ORIGINAL

Application No. 20738.

R. W. DuVal for Pacific Gas and Electric Company, applicant;

Brobeck, Phleger and Harrison, by Jas. S. Moore, Jr.; for The California Oregon Power Company;

Allan Sickler and Edith Prescott for Surprise Valley Electrification Corporation;

R. L. Miller for California Farm Bureau Federation.

BY THE COMMISSION:

O P I N I O N

In this application Pacific Gas and Electric Company seeks an order of the Commission, preliminary to the issuance of a certificate of public convenience and necessity, declaring that the Commission will hereafter, upon application by Pacific Gas and Electric Company, when applicant has secured a franchise which it

contemplates securing from the County of Modoc, grant to applicant a certificate authorizing the exercise of said franchise.

A copy of applicant's application, dated July 30, 1936 to the Board of Supervisors of the County of Modoc, accompanied by a form of ordinance which would grant to applicant a franchise to erect, construct, operate and maintain electric facilities in said County, is attached to and made a part of the application and marked Exhibit "A".

A public hearing on this application was held before Examiner C. C. Brown at San Francisco, California, on October 30, 1936, at which time and place the matter was submitted.

Witness for applicant testified that since early in the year 1935 it has contemplated the construction of transmission and distribution facilities for the purpose of rendering electric service to the inhabitants of the unincorporated communities of Lookout and Adin and adjacent territory in southern Modoc County; that applicant has made a survey of this project which contemplates the construction of approximately 50,041 feet of 11 Kv. transmission line from the terminus of applicant's present line at Bieber in northern Lassen County, to Lookout and 66,658 feet of 11 Kv. transmission line from a point on the last mentioned extension, just north of Bieber, to Adin, together with the necessary distribution facilities in both communities; that the estimated cost of the Lookout extension is \$20,321 and that it will serve 49 consumers, the revenue from which over a five year period is estimated to be \$21,835; that the Adin extension will cost \$27,941, will serve 92 consumers from whom it is expected to secure revenue amounting to \$28,465 over a five year period, both estimates of revenue being based on present filed rates.

Witness for applicant further testified that the only other utilities now rendering electric service in Modoc County are The California Oregon Power Company, which serves in the northern part of Modoc County and the California Public Service Company which serves in and adjacent to Alturas, Cedarville and Fort Bidwell, and that it is not the intention of applicant to extend any of its electric facilities into any portion of Modoc County now being rendered electric service by any other utility; that public convenience and necessity require and will require the exercise by applicant of the franchise it contemplates securing.

Counsel for applicant stipulated at the hearing that the certificate asked for may be limited to that portion of Modoc County south of the Eighth Standard Parallel North.

Mr. Moore, counsel for The California Oregon Power Company, stated that if the application was so limited as to the exercise of the rights expected to be granted under the franchise, The California Oregon Power Company had no objection to the application.

Allan Sickler, protestant, representing the Surprise Valley Electrification Corporation, a non-profit cooperative corporation, testified that said corporation has for its purpose the supplying of electric energy to the rural communities of Modoc and Lassen Counties by means of funds to be secured from the Rural Electrification Administration; that said corporation was organized by him on June 6, 1936; that eligibility requirements for membership in said corporation do not presuppose ownership of property and that any prospective consumer of electric energy may become a member by signing an application; that the corporation has secured franchises from both Modoc and Lassen Counties, has no consumers as

yet and that said corporation protests the granting of the application here involved.

The record in this proceeding clearly indicates that public convenience and necessity require the rendition of electric service to the 141 potential consumers residing in the communities of Lookout and Adin and adjacent territory. The record further indicates that the estimated cost to applicant of the construction of facilities to render this service is justified by the estimated revenue to be received therefor. Testimony presented by protestant established no justification for denying the application.

O R D E R

Pacific Gas and Electric Company having asked the Commission for an order preliminary to the issuance of a certificate of public convenience and necessity, declaring that it will hereafter, upon application by applicant, when the latter has secured a franchise which it contemplates securing from the County of Modoc, grant to applicant a certificate authorizing the exercise of said franchise, public hearing having been held, the matter being submitted and now ready for decision,

The Railroad Commission of the State of California Hereby Orders and Declares that it will hereafter, upon application therefor by Pacific Gas and Electric Company, when the latter shall have obtained the right, privilege and franchise which it contemplates securing from the County of Modoc, as in this application described, issue to applicant a certificate declaring that present and future public convenience and necessity require and will require the exercise of the right and privilege to be granted by said contemplated

franchise, subject, however, to the following conditions and not otherwise:

- (1) That said certificate will authorize the exercise of said franchise only in that portion of Modoc County lying south of the Eighth Standard Parallel North.
- (2) That applicant file with the Commission certified copies of said franchise and stipulation duly executed upon the authority of its Board of Directors, that applicant, its successors or assigns, will never claim before the Railroad Commission, or any other body or court, a value for said franchise in excess of the actual cost thereof.
- (3) That the Commission may hereafter by appropriate proceedings and orders revoke or limit as to territory not then served by Pacific Gas and Electric Company or its successors in interest the authority granted by said certificate.

The effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 15th day of December, 1936

M. B. Harris

Walter J. ...
Frank R. ...
Commissioners.