

Decision No. 30132

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. 295 N.S.  
of the City Council of the City of  
Hayward, County of Alameda, State of  
California.

Application No. 21072.

R. W. DuVal, for Applicant.

**ORIGINAL**

WAKEFIELD, COMMISSIONER:

O P I N I O N

In this application, Pacific Gas and Electric Company asks for a certificate of public convenience and necessity authorizing it to exercise the fifty (50) year franchise granted to it by Ordinance No. 295 N.S. of the City Council of the City of Hayward, County of Alameda, adopted on October 7, 1936, a copy of which is marked Exhibit "A" and attached to and made a part of the application.

Public hearing was held on this matter at San Francisco, California, on April 28, 1937. No one appeared to protest the granting of the application.

Evidence introduced by applicant establishes the facts that for more than twenty-five (25) years last past applicant or its predecessors have been furnishing gas service to said City of Hayward and its inhabitants, under and pursuant to the franchise granted by Section 19 of Article XII of the Constitution of the

State of California as it existed from 1885 to October 10, 1911, and under and pursuant to franchise granted to applicant's predecessor, Suburban Electric Light Company, by Ordinance No. 77 N.S. of said city, adopted February 20, 1907, and which expired February 20, 1932, and that applicant is now furnishing such service in substantially all parts of the city; that no person, firm, or corporation other than applicant is now engaged in the public utility business of furnishing gas in said city; and that present and future public convenience and necessity require and will require that applicant exercise the franchise granted by said Ordinance No. 295 N.S., in order that applicant may continue to furnish gas to said city and its inhabitants and, further, in order that applicant may qualify its first and refunding mortgage bonds as legal investments for savings banks and trust funds in certain states.

It appears from the evidence that the laws of the State of New York permit investments by savings banks in the bonds of gas and electric corporations provided, among other things, that "such corporation shall have all franchises necessary to operate in territory in which at least seventy-five (75) per centum of its gross income is earned, which franchises shall either be indeterminate permits or agreements with, or subject to the jurisdiction of a public service commission or other duly constituted regulatory body, or shall extend at least five (5) years beyond the maturity of such bonds, \* \* " and that the statutes of other states contain similar provisions. Ability to comply with these statutory provisions materially assists the applicant in selling its securities and the granting of this application is one step in the applicant's program of qualifying its bonds under these laws. Other applications involving other areas in which applicant is rendering service are now pending before the Commission.

Applicant has stipulated that it, its successors or assigns, will never claim before the Commission, or any court or public body, any value for said franchise granted by Ordinance No. 295 N.S. in excess of the actual cost thereof, which cost was One hundred eighty-two and 40/100 Dollars (\$182.40), exclusive of the Fifty Dollar (\$50) filing fee.

It appears that this application should be granted, and I recommend the following form of order:

O R D E R

Pacific Gas and Electric Company having asked the Commission for a certificate of public convenience and necessity, as described in the opinion above, public hearing having been held, the matter being submitted and ready for decision,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity, authorizing the exercise by Pacific Gas and Electric Company of the right and privilege under the franchise granted to it by Ordinance No. 295 N.S. of the said City of Hayward, County of Alameda, as set forth and described in Exhibit "A" of the application herein, be and it is hereby granted to applicant.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 20<sup>th</sup> day of Sept., 1937.

W. H. [Signature]  
Leon [Signature]  
James [Signature]  
[Signature]  
[Signature]  
Commissioners.