

Decision No. 30315

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. 153 of the)
 Board of Supervisors of the County of)
 Solano, State of California.)

ORIGINAL

Application No. 20992

R. W. DuVal for Applicant.

R. C. Bragg and Frank E. Powers for Vallejo Electric Light and Power Company.

WAKEFIELD, COMMISSIONER:

O P I N I O N

Pacific Gas and Electric Company requests a certificate of public convenience and necessity under Section 50(b) of the Public Utilities Act authorizing the exercise of the rights and privileges granted to it by Ordinance No. 153 of the Board of Supervisors of the County of Solano adopted on August 3, 1936, a copy of which is attached as Exhibit "A" to the application. Public hearing was had at San Francisco, California on April 28, 1937. No one appeared to protest the granting of the application.

It appears from the record that for more than thirty-five (35) years last past applicant or its predecessors in interest have been rendering electric service in the County of Solano, and have used the public highways therein under and pursuant to the following franchises:

<u>Ordinance No.</u>	<u>Adopted</u>	<u>Expiring</u>	<u>Grantee</u>
45	July 16, 1900	July 16, 1950,	Bay Counties Power Company.
71	June 3, 1907	June 3, 1957	E.D.N. Lehe
79	June 3, 1912	June 3, 1962	Great Western Power Company.

Applicant now renders electric service in a large portion of the County of Solano but is not rendering such service in a minor portion thereof. Service of a like character is now being rendered by Vallejo Electric Light and Power Company in the City of Vallejo and in certain territory immediately adjacent to said city.

It is of record that applicant applied to the Board of Supervisors of the County of Solano for the franchise granted by Ordinance No. 153 primarily to enable applicant to continue to qualify its first and refunding mortgage bonds and legal investments for savings banks and trust funds in as many states as possible. Applicant has outstanding \$267,153,000.00 of first and refunding mortgage bonds. The most recent issue of such bonds matures on June 1, 1966. The bonds are now qualified as legal investments in savings banks and trust funds in the State of New York and some other states. The law of the State of New York, it is said, permits investments by savings banks in bonds of gas and electric corporations provided, among other things, that "such corporations 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 years beyond the maturity of such bonds." The laws of some other states are somewhat similar. The franchise referred to herein is essential

to meet such statutory requirements.

Applicant has stipulated that it, its successors or assigns, will never claim before the Railroad Commission or any court or public body, any value for said franchise in excess of the actual cost thereof, which is Three Hundred and Forty-seven and thirteen hundredths Dollars (\$347.13) exclusive of the fee of \$50.00 for the filing of the present application.

It should be noted this is an application under Section 50(b) of the Public Utilities Act for a certificate of public convenience and necessity to exercise rights granted by a franchise which covers the entire county. Applicant does not now serve throughout the whole county. The franchise is for a term of fifty (50) years. The Commission cannot foretell future conditions nor make a finding now that public convenience and necessity require the exercise of such franchise in its entirety. However, the exercise of such rights should be authorized as to territory now served by applicant and as to extensions made in the normal course of business as contemplated by Section 50(a) of the Public Utilities Act. In this proceeding consideration must also be given to the fact that at the present time Vallejo Electric Light and Power Company renders electric service within the county. Existing utilities should be protected as to territory now being served by them and also as to extensions made in the normal course of business, and applicant should not be authorized to exercise franchise rights as to such territory or extensions. Should the situation arise in the future where more than one utility desires to enter into the same locality or territory, the Commission reserves the rights to adjudicate such dispute upon the facts disclosed in an appropriate proceeding and to modify the present order or to make such order prescribing the terms and conditions

under which service may be rendered as may be warranted by the record in such future proceeding.

O R D E R

It is found as a fact that public convenience and necessity require, and Pacific Gas and Electric Company is hereby granted a certificate to exercise the rights and privileges granted to it by Ordinance No. 153 of the Board of Supervisors of the County of Solano, as to the territory now being served by it and as to extensions to its existing system made in the normal course of business as contemplated by Section 50(a) of the Public Utilities Act provided, that the rights and privileges granted by such franchise shall not be exercised in territory served by the existing system of Vallejo Electric Light and Power Company nor from future extensions thereof made in the normal course of business as contemplated by Section 50(a) of the Public Utilities Act and provided further that Decision No. 4438 dated July 3, 1917 in Application No. 2945 and Decision No. 10,700 dated July 13, 1922 in Case No. 1643 of this Commission shall in no way be effected by this Order and shall remain in full force and effect.

This Order shall be effective immediately.

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 22nd day of Nov., 1937.

Walter H. ...
Leon ...

Ray ...

Commissioners