

Decision No. 20346

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. 188 of the
Board of Supervisors of the County of
Amador, State of California.

PACIFIC GAS AND ELECTRIC COMPANY

Application No. 21074.

R. W. DuVal for Applicant.

WAKEFIELD, COMMISSIONER:

O P I N I O N

Pacific Gas and Electric Company requests a certificate of public convenience and necessity under Sec. 50 (b) of the Public Utilities Act authorizing the exercise of the rights and privileges granted to it by Ordinance No. 188 of the Board of Supervisors of the County of Amador, adopted on November 2, 1936, a copy of which is attached as Exhibit "A" to the application. Public hearing was had at Stockton, California, on April 21, 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 Amador 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>
77	June 7, 1897	June 7, 1947	Blue Lake Water Co.
97	Dec. 4, 1899	Dec. 4, 1949	Standard Elec. Co. of California,
113	July 6, 1903	July 6, 1953	American River Electric Co.

Applicant now renders electric service in a large portion of the County of Amador but is not rendering such service in all portions of said county. No other utility is at present rendering electric service within the county.

It is of record that applicant applied to the Board of Supervisors of the County of Amador for the franchise granted by Ordinance No. 188 primarily to enable applicant to continue to qualify its first and refunding mortgage bonds as legal investments for savings banks and trust funds in as many states as possible. Applicant has outstanding \$267,153,000. 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 in 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 Two hundred fifteen and 00/100 Dollars (\$215.00), exclusive of the fee of Fifty Dollars (\$50) for the filing of the present application.

It should be noted that this is an application under Sec.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.

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. 188 of the Board of Supervisors of the County of Amador 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.

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, San Francisco, California, Nov. 22nd, 1937.

Robert A. McLean
Leon A. Whittell

Ray W. Whittell

Commissioners.