

Decision No. WAKEFIELD

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. 102 of the Board of Supervisors of the County of Yuba, State of California.

ORIGINAL

Application No. 21009

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 Section 50 (b) of the Public Utilities Act authorizing the exercise of the rights and privileges granted to it by Ordinance No. 102 of the Board of Supervisors of the County of Yuba, adopted on July 7, 1936, a copy of which is attached as Exhibit "A" to the application. Public hearing was held at Marysville, California, on April 22, 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 Yuba, and have used the public highways therein under and pursuant to the following franchises:

<u>Ordinance Number</u>	<u>Adopted</u>	<u>Expiring</u>	<u>Grantee</u>
Unnumbered	March 2, 1897	March 2, 1947	F. W. Page
50	Dec. 6, 1899	Dec. 6, 1949	Yuba Electric Power Company
51	Jan. 3, 1900	Jan. 3, 1950	Butte County Electric Power and Lighting Company
61	June 2, 1908	June 2, 1958	Great Western Power Company
70	May 5, 1913	June 4, 1963	Great Western Power Company

Applicant now renders electric service in a portion of the County of Yuba, but is not rendering such service in the entire 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 Yuba for the franchise granted by Ordinance No. 102 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 \$267,153,000.00 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 for 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 corporation shall have all franchises necessary to operate in territory in which at least seventy-five (75) percentum 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 seventy-three and 00/100 Dollars (\$373.00) exclusive of the Fifty Dollar (\$50.00) fee for the filing of the present application.

It should be noted that 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.

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. 102 of the County of Yuba 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 at San Francisco, California, this 3^d day of

January, 1936.

Walter M. ...
John ...
Frank R. ...
Lawrence ...
Edith ...
Commissioners