

Decision No. 20158

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. 148 of the  
Board of Supervisors of the County of  
Yolo, State of California.

Application No. 21200

ORIGINAL

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. 148 of the Board of Supervisors of the County of Yolo, adopted on January 19, 1937, a copy of which is attached as Exhibit "A" to the application. Public hearing was held at San Francisco, California, on June 8, 1937. No one appeared to protest the granting of the application.

It appears from the record that for more than thirty (30) years last past, applicant or its predecessors in interest have been rendering gas service in the County of Yolo, 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>
39	July 7, 1903	July 7, 1953	Washington Electric Gas and Fuel Company
103	July 12, 1920	Aug. 11, 1970	Pacific Gas and Electric Company
108	Nov. 21, 1921	Dec. 21, 1971	Pacific Gas and Electric Company

Applicant now renders gas service in a portion of the County of Yolo, but is not rendering such service in the entire county. No other utility is at present rendering gas service within the county.

It is of record that applicant applied to the Board of Supervisors of the County of Yolo for the franchise granted by Ordinance No. 148 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 Two hundred eighty and 00/100 Dollars (\$280.00) 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 can not 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. 148 of the County of Yolo 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<sup>d</sup> day  
of January, 1938.

William H. Hall  
John A. White  
Brown R. Allen  
Ralph W. H. H. H.  
Arthur H. Miller  
Commissioners