

Decision No. 30461

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. 223, of
the City Council of the City of
Nevada, County of Nevada, State of
California.

ORIGINAL

Application No. 21311.

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 under the fifty (50) year electric franchise granted to it by Ordinance No. 223 of the City Council of the City of Nevada, County of Nevada, adopted on January 14, 1937, a copy of which is attached, as Exhibit "A," to the application.

Public hearing was held at Nevada City, California, on August 28, 1937. No one appeared to protest the granting of the application.

According to applicant, it or its predecessors in interest, for more than twenty-eight (28) years last past, have been rendering electric service in the City of Nevada, and have used the public highways therein under and pursuant to the franchise granted by

Section 19 of Article XI of the Constitution of the State of California as it existed from 1885 to October 10, 1911, and under and pursuant to the franchise granted to Alf Tregidgo by an unnumbered ordinance of the Board of Trustees of the Town of Nevada City adopted on February 26, 1889, which said franchise expires on or about February 26, 1939.

Applicant now renders electric service in substantially all parts of the City of Nevada and no other utility renders like service therein.

It is of record that applicant applied to the City Council of the City of Nevada for the franchise granted by Ordinance No. 223 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) 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." 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 One hundred fifty-four and 50/100 Dollars (\$154.50), exclusive of the Fifty Dollar (\$50.00) fee for the filing of the present application.

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. 223 of the City of Nevada.

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, January 3, 1938.

Malcolm Mac
Tom C. Whittell
Frank R. Whit
Ralph C. ...
Paul & Riley
Commissioners.