

Decision No. 31419

ORIGINAL

## 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. 174  
 of the City Council of The City of  
 King, County of Monterey, State of  
 California.

Application No. 22143.

R. W. DuVal, for the Applicant,  
 Frank B. Parker, City Attorney,  
 for The City of King.

BY THE COMMISSION:

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 electric franchise granted to it by Ordinance No. 174 of the City Council of The City of King, County of Monterey, State of California, adopted February 9, 1938, a copy of which is attached as Exhibit "A" to the application. Said franchise is for an indeterminate period.

Public hearing was held at The City of King on October 20, 1938, before Examiner R. A. Wehe. No one appeared to protest the granting of the application.

According to testimony introduced on behalf of applicant, electricity has been distributed in The City of King by applicant

or its predecessors in estate since about the year 1908. Applicant has a "constitutional franchise" for the use of the public highways of said city, under and pursuant to Section 19 of Article XII of the Constitution of the State of California, as said section existed prior to its amendment on October 10, 1911.

Electric service is now rendered by applicant in substantially all parts of The City of King and no other utility renders like service therein.

From the evidence it is clear that present and future public convenience and necessity require and will require that applicant exercise the franchise granted to it by said Ordinance No. 174 of the City Council of The City of King in order that applicant may continue to furnish electricity to said city and to its inhabitants and, further, in order that applicant may qualify its first and refunding mortgage bonds as legal investments for savings banks and trust funds in certain states.

It appears further from the evidence that the laws of the State of New York permit investments by savings banks in the 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 years beyond the maturity of such bonds \* \* \*." The statutes of other states also contain similar provisions. Ability to comply with these statutory provisions materially assists the applicant in selling its securities and the granting of this application is one step in the applicant's program of qualifying its bonds under these laws. Other applications involving other areas in which applicant is rendering service are now pending before the Commission.

Applicant has stipulated that it, its successors or assigns, will never claim before the Railroad Commission of the State of California, or any court or public body, any value for said franchise in excess of the actual cost thereof, which is \$336.30, exclusive of the \$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. 174 of the City Council of The City of King.

This Order shall be effective immediately.

Dated, San Francisco, California, November 5<sup>th</sup>, 1938.

Ray B. Whelan

James R. Devlin

Paul R. Riley

Commissioners.