BEFORE THE PAILROAD COMMISSION OF THE STATE OF CALIFORNIA In the Matter of the Application of PACIFIC GAS AND ELECTRIC COMPANY, a ORIGINAL 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. 62 of the City Council of the City of ARROYO Application No. 23374 GRANDE, County of San Luis Obispo, State of California. R. W. DuVal, Attorney for Applicant. BY THE COMMISSION: Pacific Gas and Electric Company has applied for authority to exercise rights and privileges pertaining to electric service expressed in a franchise granted it by the City of Arroyo Grande, San Luis Obispo County. This franchise is one authorized by the Franchise Act of 1937 and is in lieu of asserted franchises under which applicant or its predecessors in interest have rendered electric service in that city for many years. A public hearing on the application was held and it is evident that the requested authority should be given. ORDER IT IS HEREBY FOUND AS A FACT that public convenience and necessity require and will require, and Pacific Gas and -1-

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Decision No.

Electric Company is hereby granted a certificate for the exercise of the rights and privileges granted it by the City of Arroyo Grande, San Luis Obispo County, under its Ordinance No. 62 adopted April 19, 1939. This grant is subject to the condition, however, that Pacific Gas and Electric Company, its successors or assigns, will never claim before this Commission or any court or other public body a value for that franchise or for the authority hereby granted in excess of the actual cost thereof.

This Order shall be effective immediately.

Dated at San Francisco, California this // day

of _______, 1940.

Area & C.