

Decision No. 37189

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
PACIFIC GAS AND ELECTRIC COMPANY, a)
corporation, for a certificate of)
public convenience and necessity to)
construct, operate and maintain the)
natural gas project herein described;)
for a preliminary order under Section)
50 (c) of the Public Utilities Act re.)
the exercise of a gas franchise here-)
after to be obtained from the County)
of Glenn; for authorization to supply)
natural gas service in the TOWN of)
WILLOWS and to file and make effective)
rates applicable to such service, etc.)

ORIGINAL

APPLICATION NO. 25864
(First Supplemental)

BY THE COMMISSION:

FIRST SUPPLEMENTAL OPINION AND ORDER

In this, its first supplemental application in the above entitled matter, Pacific Gas and Electric Company asks the Commission to make a supplemental order granting Applicant a general certificate declaring that public convenience and necessity require and will require the exercise by it of the right, privilege and franchise granted it by the County of Glenn by Ordinance No. 243, adopted January 17, 1944. A copy of the franchise is annexed to this application and marked Exhibit "A."

Applicant in its original application asked for a certificate of public convenience and necessity to construct and operate a natural gas system in and about the Town of Willows and to substitute natural gas service for manufactured gas service in that territory. At the same time, it asked for a

proliminary order, under Section 50 (c) of the Public Utilities Act to exercise a gas franchise subsequently to be obtained from the County of Glenn. Decision No. 35763 granted the necessary authority to enable Applicant to change over to natural gas service, including the exercise of a temporary permit to utilize certain county roads issued by the county pending the granting of a general county franchise. It did not, however, make a preliminary order with respect to the contemplated county franchise, which has since been acquired and now gives rise to said first supplemental application.

The term of the new franchise is indeterminate commencing with the effective date specified therein and continuing until terminated by abandonment, forfeiture for noncompliance with its terms, or acquisition by the State, County or other public corporation thereunto duly authorized through purchase by voluntary agreement or condemnation under the power of eminent domain.

The franchise requires Applicant to pay annually to the County of Glenn two per cent of its gross annual receipts arising from the use, operation or possession thereof, provided, however, that no percentage shall be paid for the first five years succeeding the date of the grant of said franchise.

Applicant has stipulated and agreed that it, its successors or assigns will never claim before this Commission or before any court or other public body a value for said franchise in excess of the actual cost of acquiring the same which is said to have been \$217.75, made up of the following items, viz:

Publication of Notice of Sale of Franchise	\$ 132.75
Bid for Franchise	25.00
Publication of Ordinance	60.00
	<u>\$ 217.75</u>

Applicant alleges that no other person, firm, public corporation or private corporation is now engaged in the public utility business of furnishing gas in the County of Glenn.

The certificate of public convenience and necessity granted herein is subject to the following provision of law:

"That the Commission shall have no power to authorize the capitalization of the franchise involved herein or this certificate of public convenience and necessity or the right to own, operate or enjoy such franchise or certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the grant of such franchise, certificate of public convenience and necessity or right."

ORDER

The Commission having considered the above entitled application, it appearing that a public hearing thereon is not necessary and it appearing to the Commission and being found as a fact that public convenience and necessity so require, therefore,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be and it hereby is granted a certificate of public convenience and necessity to exercise the right, privilege and franchise granted it by the County of Glenn by Ordinance 243, adopted January 17, 1944.

The effective date of this order shall be the date hereof.

Dated at San Francisco California, this 11th day of

July, 1944.

Richard G. Barker
Justin S. Craven
Frank L. Havenue

W. S. Powell
Commissioners