

Decision No. 3537

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
COAST COUNTIES GAS AND ELECTRIC COMPANY,
a corporation, for a certificate that
public convenience and necessity require
the exercise of the right, privilege and
franchise to transmit and distribute gas
for any and all purposes in the City of
Watsonville, and the right, privilege and
franchise to transmit and distribute
electricity for any and all purposes in
said City.

ORIGINAL

Application No. 27131

Bert B. Snyder of Santa Cruz and Pillsbury, Madison
& Sutro by Hugh Fullerton of San Francisco for
applicant; Roy M. Sayre, City Attorney, and
F. J. O'Brien, City Clerk, for the City of Watsonville.

BY THE COMMISSION:

O P I N I O N

Coast Counties Gas and Electric Company asks authority to
exercise franchises granted by the City of Watsonville permitting the
installation and maintenance of electric and gas facilities upon the
streets of said city.

The franchises referred to, copies of which are attached to
the application and marked Exhibits B and C, were granted by the city
in accordance with the Franchise Act of 1937 and it is provided in each
that the duration thereof shall be indeterminate. It is also provided
in each that a fee is payable annually to the city equivalent to 2 per
cent of the gross receipts arising from the use of the franchise.

The electric franchise limits the fee to not less than one-half
of 1 per cent of all sales of electricity within the city and in any event

to not less than \$809.31^a while the gas franchise limits the fee to not less than 1 per cent of all sales of gas within the city and in any event to not less than \$2808.40^b.

The direct costs to applicants in obtaining these franchises are stated to have been \$300 each, the city bearing all publication expenses connected therewith.

A hearing on this application was held by Examiner Daly at which no opposition to the granting of the requested authority was manifested.

As this utility has for many years served electricity and gas within and about the city of Watsonville without competition, it is evident that the requested authority should be given.

The authority herein granted is subject to the following provisions of law:

- (A) That the Commission shall have no power to authorize the capitalization of the franchises involved herein or this certificate of public convenience and necessity or the right to own, operate or enjoy such franchises 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 franchises, certificate of public convenience and necessity or right.
- (B) That the franchises involved herein shall never be given any value before any court or other public authority in any proceeding of any character in excess of the cost to the grantee of the necessary publication and any other sum paid by it to the municipality therefor at the time of the acquisition thereof.

O R D E R

A public hearing on the application of Coast Counties Gas and Electric Company having been held, the matter having been considered, it appearing to the Commission and being found as a fact that public convenience and necessity so require, therefore

IT IS ORDERED that Coast Counties Gas and Electric Company be and hereby is authorized to exercise the rights and privileges granted

a, b. These amounts are stated to be the equivalents of amounts paid annually to the city for a number of years under the expiring franchises.

by the City of Watsonville by Ordinances Nos. 435 and 436 (New Charter Series), adopted September 25, 1945.

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

Dated at San Francisco, California, this 5th
day of March 1946.

Edward Gudwin

Francis Owen

James J. Quinn

Harold J. Hula
(Commissioners)