

Decision No. 46804

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
COAST COUNTIES GAS AND ELECTRIC COMPANY,  
a corporation, for a certificate under  
section 50(b) of the Public Utilities  
Act that public convenience and necessity  
require the exercise of a right, privilege  
and franchise to transmit and distribute  
gas for any and all purposes in the City  
of Gilroy, and the right, privilege and  
franchise to transmit and distribute  
electricity for any and all purposes in  
the City.

ORIGINAL

Application No. 28630

J. K. Horton, Bert B. Snyder and Pillsbury, Madison and  
Sutro, by J. K. Horton for Applicant; James F. Byers,  
City Attorney, for City of Gilroy.

O P I N I O N

Coast Counties Gas and Electric Company asks for a certificate of public convenience and necessity to exercise franchises granted by the City of Gilroy permitting the installation and maintenance of electric and gas facilities upon the streets of said city.

The franchises referred to, copies of which were attached to the application as Exhibits B and C, are each for a term of 25 years. Under each franchise a fee is payable annually to the city equivalent to two per cent of the gross annual receipts of applicant arising from the sale within the city of gas or electricity as specified therein, provided that in no event shall the amount paid under either franchise be less than two per cent of applicant's gross annual receipts arising from its operations thereunder.

The costs incurred by applicant in obtaining the franchises are stated to have been \$207.50 each.

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

Testimony disclosed that in connection with the obtaining of the electric franchise, applicant agreed to replace certain existing 4,000 lumen electroliers with 10,000 lumen electroliers of modern type, to relocate certain of those removed upon streets specified by the city, and to re-equip certain bracket type street lighting units with brackets of greater length. The city, in turn, agreed to defray the cost of making these changes by means of monthly payments per lamp over a period of 25 years. A copy of a letter from applicant to the city summarizing these agreements and bearing the acceptance of the City Clerk was filed as Exhibit 1.

As this utility has for many years served electricity and gas in and about the City of Gilroy without competition, it is evident that the requested certificate should be granted.

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

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.

#### O R D E R

Application as above entitled having been filed, a public hearing having been held thereon, the matter having been submitted, the Commission being fully advised in the premises and hereby finding that public convenience and necessity so require,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity is granted to Coast Counties Gas and Electric Company to exercise the rights and privileges granted by the City of Gilroy by Ordinances Nos. 453 and 454, adopted June 16, 1947.

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

Dated at San Francisco, California, this 10<sup>th</sup> day of  
October, 1947.

Harold P. Kule  
Justus J. Calver  
Jack H. Rance  
R. J. Anderson

Commissioners