

MA Orig. 9
Decision No. 41811

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
THE PACIFIC TELEPHONE AND TELEGRAPH
COMPANY, a corporation,
for an order granting it a certificate
that public convenience and necessity
require the exercise by it of the rights
and privileges conferred upon it under
the franchise granted by the City of
Watsonville by Ordinance No. 465 on the
23rd day of March, 1948.

ORIGINAL

Application No. 29368

James G. Marshall and Dudley Zinke,
for the applicant; Roy M. Savre,
City Attorney, for the City of
Watsonville.

O P I N I O N

In this application The Pacific Telephone and Telegraph Company seeks a certificate of public convenience and necessity to exercise the rights and privileges conferred by the City of Watsonville, permitting the installation, maintenance and use of telephone facilities upon the streets of that city for a period of 25 years. Under the franchise, a fee is payable annually to the city equivalent to 2% of the gross annual receipts arising from the use, operation, or possession of the franchise.

The gross receipts to which the 2% is applicable includes the following revenues:

1. That proportion of the gross receipts from the local service in the Watsonville exchange that the amount of exchange plant on the streets of the city of Watsonville bears to the total plant used in rendering Watsonville local exchange service.
2. That proportion of gross receipts arising from the rendering of toll service attributable to the State of California that the amount of toll plant located on the streets of the city of Watsonville bears to the toll plant of the company located in California.

This method of determining the gross annual receipts is based upon the company's interpretation of the principles as announced by the Supreme Court of California in the case of County of Tulare vs. City of Dinuba, 188 Cal. 664.

The record shows that the applicant has paid \$10 to the City of Watsonville for the franchise and a \$50 filing fee to the State of California in connection with the application.

A public hearing was held before Examiner Wessells at Watsonville on June 24, 1948, at which no objection to the granting of the certificate was manifested.

Applicant has rendered telephone service in the city of Watsonville for many years and we find that public convenience and necessity require its continuance. No other company renders a telephone service in the community and the granting of the requested certificate will not result in any change in rates or service to subscribers within the city.

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.

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 The Pacific Telephone and Telegraph Company be and it is hereby granted a certificate of public convenience and necessity to exercise the rights and privileges granted by the City of Watsonville, pursuant to Ordinance No. 465 adopted March 23, 1948.

This Order shall become effective twenty (20) days after the date hereof.

Dated at San Francisco California, this 7th day of July 1948.

R. E. [Signature]
Justice F. [Signature]
[Signature]
Harold [Signature]
[Signature]
Commissioners