

Decision No. 42309

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of PACIFIC GAS AND ELECTRIC COMPANY for an order of the Public Utilities 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. 622 of the Board of Supervisors of the COUNTY OF MONTEREY, State of California.

(Gas)

ORIGINAL

Application No. 29690

Ralph W. DuVal, for applicant

O P I N I O N

Pacific Gas and Electric Company requests a certificate that public convenience and necessity require the exercise by it of the rights and privileges conferred by Ordinance No. 622, adopted December 1, 1947, by the Board of Supervisors of Monterey County, granting a franchise for the construction, maintenance, and use of gas facilities upon the roads and highways of said county.

The application was unopposed and was submitted at a public hearing held at Salinas on November 10, 1948, before Examiner Gregory.

The franchise is of indeterminate duration and provides for a fee, payable by the grantee to the county, equivalent to two per cent of the gross annual receipts arising from its use, occupation, or possession. Applicant has incurred costs of \$331 in obtaining the franchise and has stipulated that it, its successors or assigns will never claim before the Commission or any court or public body any value for the franchise in excess of the actual cost thereof.

Pacific Gas and Electric Company and its predecessor, Coast Valleys Gas and Electric Company, have for many years rendered gas service in Monterey County, since 1929 under a 50-year county franchise acquired by applicant. The only other company presently rendering gas service in Monterey County is Coast Counties Gas and Electric Company, which serves a small area in the northeastern portion of the county lying north of an east-west line passing approximately one mile north of the salt works at Moss Landing. Applicant does not now compete with Coast Counties Gas and Electric Company and has stipulated that it will not exercise any right or privilege granted by Ordinance No. 622 for the purpose of competing with that company without an order of the Commission authorizing it to do so.

Applicant does not propose to abandon its existing franchise but will henceforth calculate payments due the county in accordance with the terms and conditions of Ordinance No. 622. An indeterminate type franchise, in contrast to one of limited duration, appears to be more useful to the company for the purpose of qualifying its bonds as legal investments for savings banks and trust funds under various state laws which require, among other things, the possession either of indeterminate permits or of franchises extending beyond the due date of such issues.

We conclude that the requested certificate should be granted covering the presently served area, together with extensions made in the ordinary course of business, subject to appropriate restrictions concerning the territory now served by Coast Counties Gas and Electric Company and to the following provisions 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

Public hearing having been held on the above-entitled application, the matter having been submitted, the Commission being fully advised, and hereby finding that public convenience and necessity so require,

IT IS ORDERED that Pacific Gas and Electric Company be and it is hereby granted a certificate of public convenience and necessity to exercise the rights and privileges under the franchise conferred by Ordinance No. 622 of the Board of Supervisors of Monterey County, adopted December 1, 1947, within such parts or portions of said county as are now served by Pacific Gas and Electric Company or hereafter may be served by it through extensions of its existing system made in the ordinary course of business, as contemplated by Section 50 (a) of the Public Utilities Act, subject, however, to the following conditions:

1. That except upon further certificate of this Commission first obtained, applicant shall not exercise said franchise for the purpose of supplying gas in those parts or portions of said county now being served by Coast Counties Gas and Electric Company and defined as that portion of the County of Monterey lying north of an east-west line passing approximately one mile north of the salt works at Moss Landing; and
2. That the Commission may hereafter, by appropriate proceeding and order, limit the authority herein

granted to applicant as to any territory within  
said county not then being served by it.

The effective date of this order shall be twenty (20) days from  
and after the date hereof.

Dated at San Francisco, California, this 14<sup>th</sup> day of  
December, 1948.

R. E. Johnson  
Justice J. G. Cannon  
James Cannon  
Harold P. Hill  
Berneth Potter  
Commissioners