

Decision No. 42311

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 Com-
 mission 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. 621 of the Board of
 Supervisors of the COUNTY OF MONTEREY,
 State of California.
 (Electric)

Application No. 29689

Ralph W. DuVal, for applicantO P I N I O N

Pacific Gas and Electric Company has requested a certificate that public convenience and necessity require the exercise by it of the rights and privileges conferred by Ordinance No. 621, adopted December 1, 1947, by the Board of Supervisors of Monterey County, granting a franchise for the installation, maintenance and use of electric transmission and distribution facilities upon roads and highways in unincorporated areas of Monterey 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 an annual fee, payable by the grantee to the county, equivalent to two per cent of the gross receipts arising from its use, occupation or possession. Applicant has incurred costs of \$348 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 predecessors have for many years rendered electric service under county franchises in unincorporated territory of Monterey County, except for a small area in the northern part of the county served by Coast Counties Gas and Electric Company. Applicant does not now compete, nor does it intend to compete, with Coast Counties Gas and Electric Company in supplying electric service in that area.

Applicant does not propose to abandon its existing fixed-term franchises but will henceforth calculate payments due the county in accordance with the terms and conditions of Ordinance No. 621. 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. 621 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 electricity in those parts or portions of said county now being served by Coast Counties Gas and Electric Company; 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 14th day of December, 1948.

A. J. [Signature]
Justice J. Calines
[Signature]
Harold P. Hill
[Signature]
Commissioners