

Decision No. 42440

ORIGINAL

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. 268 of the Board of)
 Supervisors of the COUNTY OF SONOMA,)
 State of California.)
 (Gas)

Application No. 29555

Ralph W. DuVal and Frederick T. Searls, for applicant.O P I N I O N

Applicant requests a certificate of public convenience and necessity to exercise rights and privileges conferred by Ordinance No. 268 of the Board of Supervisors of Sonoma County, adopted February 16, 1948, granting a franchise to install, maintain and use gas facilities in unincorporated areas of the county. The application was submitted without opposition at a public hearing held January 14, 1949, at Santa Rosa before Examiner Gregory.

The franchise is of indeterminate duration and provides for an annual fee of 2% arising from its use, operation or possession, payable by grantee to the county. Costs of acquisition of the franchise were stated to be \$643.05, exclusive of the \$50 filing fee paid to the Commission. Applicant stipulated that it, its successors or assigns will never claim before the Commission, any court or public body any value for the grant in excess of its actual cost.

Pacific Gas and Electric Company and its predecessors have supplied gas in portions of Sonoma County for many years. Except for a non-competitive propane gas utility service, furnished at Guerneville and its vicinity by N. E. Waltenspiel, doing business as Russian River Gas Company, no other public or private agency aside from applicant presently renders gas service in the county. Applicant stipulated that it does not propose to compete with Waltenspiel in territory he now serves or is authorized to serve.

Applicant will not surrender existing franchises but will henceforth make annual payments to the county in accordance with the terms of Ordinance No. 268. The indeterminate type franchise, in contrast to a fixed-term grant, appears to applicant to be more desirable for 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 the bonds.

It is concluded that the requested certificate should be granted covering the presently served areas, together with extensions made in the ordinary course of business, subject to appropriate restrictions concerning the territory now served, or authorized to be served, by N. E. Waltenspiel and 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

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 HEREBY ORDERED that Pacific Gas and Electric Company be and it is granted a certificate of public convenience and necessity to exercise the rights and privileges conferred by Ordinance No. 268 of the Board of Supervisors of the County of Sonoma, State of California, adopted February 16, 1948, 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 portions of Sonoma County now being served, or authorized to be served, by N. E. Waltenspiel, doing business as Russian River Gas Company and defined as the communities of Guerneville, Guerneville Park, and Rio Nido, and their environs.
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 after the date hereof.

Dated at San Francisco, California, this 25th day of January, 1949.

R. E. Johnson

James H. Luce

Harold P. Hills

Samuel H. Pitts
Commissioners