

Decision No. 42443**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 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. 267 of the Board of  
 Supervisors of the COUNTY OF SONOMA,  
 State of California.  
 (Electric)

Application No. 29556

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. 267 of the Board of Supervisors of Sonoma County, adopted January 19, 1948, granting a franchise to install, maintain and use electric 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 \$359.33, 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 electricity in portions of Sonoma County for many years. Except for the City of Healdsburg, which purchases electricity from applicant and distributes it within the city and to five customers in Reed Court (a small area adjacent to the city limits and now in process of annexation), no other public or private agency furnishes electric service in the county. Applicant stipulated that it does not now, and will not in the future, compete with the City of Healdsburg in providing such service.

Applicant will not surrender existing franchises but will henceforth make annual payments to the county in accordance with the terms of Ordinance No. 267. 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 by the City of Healdsburg 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. 267 of the Board of Supervisors of the County of Sonoma, State of California, adopted January 19, 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 electricity in those portions of Sonoma County now being served by the City of Healdsburg and defined as the City of Healdsburg, and the adjacent area known as Reed Court.
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 25<sup>th</sup> day of

January, 1949:

[Signature]

[Signature]

[Signature]

[Signature]

Commissioners.