

ORIGINAL

Decision No. 42656

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. 27 of the City Council
of the CITY OF GUADALUPE, County of
SANTA BARBARA, State of California.
(Electric)

Application No. 29836

R. W. DuVal by Frederick T. Searls for applicant;
Richard M. Clare for City of Guadalupe.

O P I N I O N

Pacific Gas and Electric Company, by the above-entitled application, requests a certificate of public convenience and necessity authorizing it to exercise the rights and privileges conferred by Ordinance No. 27, adopted October 20, 1947, by the City Council of the City of Guadalupe, granting a franchise to construct, install, maintain and use electric transmission and distribution facilities in the public streets, ways and places within the City of Guadalupe. The franchise is granted under the provisions of the Franchise Act of 1937.

The term of the franchise is indeterminate, running until its voluntary surrender or abandonment by the grantee, or forfeiture for noncompliance, or purchase by the state, municipal or other public corporation either voluntarily or by condemnation. Under the ordinance a fee is payable by the grantee to the city equivalent to 2% of the gross annual receipts of said grantee arising from the use, operation or possession of the franchise, but in no event will the

payment be less than 1% of the gross annual receipts from the sale of electricity within the city. Applicant's witness stated that the annual payment under the formula is \$747.21 for the year 1948 and should be higher in the future if annual sales increase. Grantee is also required to pay the city a sum of money sufficient to reimburse it for all publication expenses in connection with the granting of the franchise. The costs incurred by applicant in obtaining the franchise are stated to have been \$61, of which \$50 represents the filing fee required by Section 57½ of the Public Utilities Act. Applicant has stipulated that it, its successors or assigns will never claim before the Commission or before any court or public body any value for the aforesaid franchise in excess of the actual cost thereof.

Mr. James F. Pollard, witness for the applicant, could not give a definite date when electric service was first rendered in Guadalupe. An article in the Santa Maria Times indicated that in 1908 electric train service was first established in the community. By 1911 the Santa Maria Company was well established, and in 1912 was taken over by the Midland Counties Public Service Corporation, a subsidiary of the San Joaquin Light and Power Corporation. In 1930 ownership of the San Joaquin Light and Power Corporation was acquired by the Pacific Gas and Electric Company, the applicant herein. Power service to this community is obtained from a 12,000-volt distribution line from Santa Maria which is in turn fed from the 70 kv and 110 kv transmission lines bringing energy from the utility's interconnected hydroelectric and steam electric generating plants. Applicant's present local system comprises 9.8 miles of distribution pole line and four miles of street lighting circuit.

Prior to the incorporation of the City of Guadalupe, applicant was rendering electric service within the present city boundaries under Santa Barbara County franchises, granted by

Ordinances Nos. 356 and 515 of said county. Certificates of public convenience and necessity were formerly granted by the California Railroad Commission under Decision No. 467, dated February 19, 1913, in Application No. 327, and under Decision No. 34504, dated August 12, 1941, in Application No. 22733. Applicant plans to render all future service within the city limits of the City of Guadalupe under the terms specified by Ordinance No. 27 of the City Council of the City of Guadalupe, and will abandon such service under the county franchises as soon as it obtains a certificate of public convenience and necessity from this Commission.

A hearing on the instant application was held before Examiner Edwards on March 8, 1949 at Guadalupe and no one appeared to object to the granting of this certificate. From the testimony received, it appears that no person, firm, public or private corporation other than Pacific Gas and Electric Company is now engaged in the business of furnishing, distributing, and selling electricity in the City of Guadalupe, but that it or its predecessors for many years have so served the territory now comprising said city.

From the evidence of record, the Commission finds that public convenience and necessity require the exercise by applicant of the right, privilege, and franchise granted to Pacific Gas and Electric Company by Ordinance No. 27 of the City Council of the City of Guadalupe.

The certificate of public convenience and necessity granted herein is subject to the following provisions of law:

- (a) 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.

(b) That the franchise involved herein shall never be given any value before any court or other authority in any proceeding of any character in excess of the cost to the grantee of the necessary publication and any other sum paid by it to the municipality therefor at the time of the acquisition thereof.

O R D E R

Public hearing having been held on the above-entitled application, the matter having been submitted and the Commission being fully advised,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be and it is granted a certificate that public convenience and necessity require the exercise by it of the right, privilege and franchise granted to it by Ordinance No. 27, adopted October 20, 1947 by the City Council of the City of Guadalupe, County of Santa Barbara, State of California.

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

Dated at San Francisco, California, this 29th day of March, 1949.

R. Z. Anderson
Justin Z. Casner
Robert Powell
Harold K. Kutz
Commissioners