

Decision No. 43043**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. 341 of the Board of
 Supervisors of the COUNTY OF SACRAMENTO,
 State of California.

(GAS)

Application No. 30189

Frederick T. Searls and Ralph W. DuVal
 for applicant.

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. 341, adopted December 15, 1948, by the Board of Supervisors of the County of Sacramento, granting a franchise to construct, install, maintain, and use gas conveying and distribution facilities in the public streets of the county.

The term of the franchise is indeterminate, running until its surrender or abandonment or forfeiture for noncompliance or purchase by the state, county or other public corporations either voluntarily or by condemnation. Under the ordinance a fee is payable by the grantee to the county equivalent to 2% of the gross annual receipts arising from the use, operation or possession of the franchise. On the basis of the level of business during 1948, the estimated annual payment is \$8,146.32. The costs incurred by applicant in obtaining the franchise are stated to have been \$478.54 in connection with the publication and

obtaining of the county ordinance, which is exclusive of the \$50 filing fee. The 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.

Applicant's witness, James F. Pollard, testified that utility service was first rendered in Sacramento County in 1855, and in 1873 the Citizens Gas Light and Heat Company was formed, being the first of a number of predecessors to the applicant in this area. The witness also stated that natural gas was introduced into the county in 1930. The utility had 96.24 miles of transmission gas main and 276.82 miles of distribution gas main as of December 31, 1948 within the county, but its distribution facilities do not extend to all portions of the county.

At the time this franchise was granted by Ordinance No. 341, the utility stated it held six franchises previously granted by Ordinances Nos. 92, 98, 189, 206, 212, and 213. Applicant's witness stated that it is obtaining this indeterminate franchise so that the term of its rights to render service in the unincorporated territory of Sacramento County may be extended beyond the maturity date of its long term financial borrowings. The utility does not plan to abandon any previous franchises.

A hearing in the instant application was held before Examiner Edwards at Sacramento, on May 19, 1949, and no one appeared in opposition to the granting of this certificate. From the testimony received, it appears that no other person, firm or public or private corporation is rendering public utility gas service within the unincorporated area of Sacramento County.

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. 341 of the Board of Supervisors of Sacramento County.

The certificate of public convenience and necessity granted herein is subject 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, 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. 341 adopted December 15, 1948, by the Board of Supervisors of Sacramento County, subject, however, to the following conditions:

1. That Pacific Gas and Electric Company shall not exercise said franchise for the purpose of supplying gas in those parts or portions of Sacramento County not now served by it except through extensions to its existing system made in the ordinary course of business as contemplated by Section 50(a) of the Public Utilities Act;

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 28th day of

June, 1949.

R. E. Johnson
Justice F. Querner
Frank K. Kelle
Harold P. Kille
Francis H. Pottel
Commissioners.