

Decision No. 13205

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. 23 of the City Council  
of the City of Greenfield, County of  
Monterey, State of California.  
(Electric)

Application No. 30355

R. W. DuVal by Frederick T. Searls for applicant;  
Tom Rogers for City of Greenfield.

# 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. 23, adopted November 16, 1948, by the City Council of the City of Greenfield, 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 Greenfield. This franchise was 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 two per cent of the gross annual receipts of said grantee arising from the use, operation or possession of the franchise, but in no event will payment be less than one per cent of the gross annual receipts from the sale of electricity within the city. Applicant's witness

stated that the annual payment under the formula would have been \$258.26 on the basis of the 1948 level of business. 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 \$42, exclusive of the \$50 filing fee required by Section 57½ of the Public Utilities Act, and 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.

Mr. James F. Pollard, witness for the applicant, testified that electric service was first rendered in the community in about 1912 by the Coast Valleys Gas and Electric Company. The Coast Valleys Company was acquired by the Pacific Gas and Electric Company, the applicant herein, in 1928. Power service to this community is obtained from a 4,000-volt distribution network supplied from a substation which, in turn, is fed from the 60 kv and 110 kv transmission network bringing energy from the utility's interconnected hydroelectric and steam electric generating plants. Applicant's present local system comprises approximately 7½ miles of distribution pole line and 3/4 mile of street lighting circuit.

Applicant's witness testified that heretofore the company has been rendering electric service within the present city boundary under four county franchises granted prior to the incorporation of the city on January 7, 1947. The company made a payment to the city during 1948 of \$100.31, which consisted of the sum of \$85.87 for the period January 1, 1948, to December 15, 1948, computed on the so-called Dinuba plan, and \$14.44 for the period December 16, which was the effective date of the franchise, to the end of the year, at one per cent of the revenue as provided in Ordinance No. 23.

A hearing on the instant application was held before Examiner Kimball on August 4, 1949, at Greenfield. At this hearing, no one entered any objection 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 Greenfield, 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. 23 of the City Council of the City of Greenfield.

This 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. 23, adopted November 16, 1948, by the City Council of the City of Greenfield, County of Monterey, State of California.

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

Dated at San Francisco, California, this 16<sup>th</sup> day of August, 1949.

R. Z. Johnson

Robert L. Johnson

Harriet A. Kilo

Commissioners.