

*Comr. Mitchell*

**ORIGINAL**

Decision No. 43330

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Coast Counties Gas and Electric Company,  
a corporation, for a certificate under  
Section 50(b) of the Public Utilities  
Act that public convenience and necessity  
require the exercise of a right, privilege  
and franchise to transmit and distribute  
gas for any and all purposes in the City  
of Dos Palos.

Application No. 30429

Bert B. Snyder for applicant;  
L. M. Linneman for City of Dos Palos.

O P I N I O N

Coast Counties 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. 44, effective May 19, 1949, of the City Council of the City of Dos Palos, granting a franchise to construct, lay, maintain and use gas pipe and appurtenances in the public streets, ways, and places within the City of Dos Palos. This franchise was granted under the provisions of the Franchise Act of 1937.

The term of the franchise is indeterminate, running until its surrender or abandonment by the grantee, or forfeiture for non-compliance 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 gas within the city. 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 \$34, 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.

Applicant's witness testified that gas service has been supplied to this community since 1930, and heretofore the company was operating within the present city boundary under Merced County Ordinance No. 180, dated July 2, 1929, pursuant to certificates of public convenience and necessity granted by the Commission to applicant as follows:

| <u>Decision Nos.</u> | <u>Dated</u>       | <u>Application Nos.</u> |
|----------------------|--------------------|-------------------------|
| 21594                | September 23, 1929 | 15604                   |
| 22507                | June 4, 1930       | 15604                   |
| 22584                | June 25, 1930      | 16535                   |
| 22955                | October 7, 1930    | 16535                   |

Applicant plans to conduct its future business in Dos Palos under Ordinance No. 44.

Applicant's present system within the Dos Palos city limits comprises 6.84 miles of gas main and serves 461 customers. Gas for this community is obtained from a tap on the "Stanpac" gas line several miles west of Dos Palos and is conveyed easterly to the vicinity of South Dos Palos through a pipe line varying in size between three inches and four inches in diameter, thence by distribution system to Dos Palos. The main source of gas for the Stanpac line is from the Kettleman Hills area.

A hearing on the instant application was held before Examiner Edwards on August 30, 1949, at Dos Palos. At the 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 Coast Counties Gas and Electric Company is now engaged in the business of furnishing, distributing and selling gas in the city of Dos Palos; but that it, or its predecessors, for many years has 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 Coast Counties Gas and Electric Company by Ordinance No. 44 of the City Council of the City of Dos Palos.

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 public 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 Coast Counties 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. 44, effective May 19, 1949, of the City Council of the City of Dos Palos, County of Merced, State of California.

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

Dated at San Francisco, California, this 27th day of September, 1949.

Justice F. Casper  
Charles H. Russell  
Harold P. Hulse  
Kenneth Potter  
Commissioners