

Decision No. 43768

ORIGINAL

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
the provisions of Section 50 (b) of the
Public Utilities Act, that public
convenience and necessity require the
exercise of the right, privilege, and
franchise to transmit and distribute
electricity for any and all purposes,
granted to applicant by Ordinance No. 672
of the COUNTY OF MONTEREY.

Application No. 30758

Bert B. Snyder for Coast Counties Gas
and Electric Company; Ralph W. DuVal and
Frederick T. Searles for Pacific Gas and
Electric Company.

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. 672, adopted April 1, 1949, by the Board of Supervisors of the County of Monterey, granting a franchise to construct, install, maintain, and use electric transmission 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 corporation, 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. The costs incurred by applicant in obtaining the franchise are

stated to have been \$115, which is 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 any court or public body any value for the aforesaid franchise in excess of the actual cost thereof.

Coast Counties Gas and Electric Company has for many years distributed and supplied electricity to the inhabitants and residents in unincorporated territory in the northerly portion of Monterey County. The Pacific Gas and Electric Company serves generally in the portion of the county not served by applicant. Applicant does not now compete, nor does it intend to compete, with Pacific Gas and Electric Company in supplying electric service in the territory now served by Pacific Gas and Electric Company.

Mr. Charles Grunsky, witness for the applicant, testified that Coast Counties Gas and Electric Company has furnished electric service in Monterey County for nearly 50 years. The witness for applicant stated that prior to the adoption of Ordinance No. 672, the applicant held a franchise under Monterey County Ordinance No. 306, enacted July 8, 1902, which was granted for a term of 50 years. Applicant proposes to abandon its fixed-term franchise, and will henceforth operate under the terms and conditions of Ordinance No. 672.

A hearing on the instant application was held before Examiner Kimball in Salinas on December 15, 1949, and no one appeared in opposition to the granting of this certificate. We conclude from the evidence of record that public convenience and necessity require that the requested certificate should be granted covering the presently served area, together with extensions made in the ordinary course of business, subject to appropriate restrictions concerning the territory now served by Pacific Gas and Electric Company.

The certificate of public convenience and necessity granted herein is subject 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, 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. 672, adopted April 1, 1949, by the Board of Supervisors of Monterey County within such parts or portions of said county as are now served by Coast Counties Gas and Electric Company or hereafter may be served by it through extensions 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 parts or portions now being served by Pacific Gas and Electric Company; and
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 7th day of February, 1950.

R. E. [Signature]
Justice F. Craven
[Signature]
Harold P. [Signature]
[Signature]
Commissioners