

ORIGINAL

Decision No. 45415

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. 31 of the City Council)
of the City of Gonzales, County of)
Monterey, State of California.)
(Electric))
-----)

Application No. 31523

Ralph W. DuVal for applicant

O P I N I O N

Pacific Gas and Electric Company has requested a certificate issue declaring that public convenience and necessity require that it exercise the rights and privileges conferred by Ordinance No. 31, adopted April 4, 1950, by the City of Gonzales, granting it a franchise to construct and use electric transmission and distribution facilities in and upon the public streets of the city.

The application was unopposed and was submitted at a public hearing held at Gonzales on February 16, 1951, before Examiner Silverhart.

The franchise granted in accordance with the terms of the Franchise Act of 1937, is of indeterminate duration. It provides for a fee, payable annually to the City of Gonzales, equivalent to two per cent. of the gross annual receipts arising from its use, operation or possession, but in no event less than one per cent

of the gross annual receipts derived from sales of electricity within the limits of such city. Applicant has incurred costs of \$37.48, which amount is exclusive of the Commission's filing fee and has stipulated that it will not claim before the Commission, or any court or public body, any value for the franchise in excess of the original cost thereof.

Applicant and its predecessors have for many years rendered electric service in the City of Gonzales without competition. If the authority sought herein is granted, applicant will thereafter conduct its electric business in the City of Gonzales pursuant to the franchise contained in said Ordinance No. 31 in place of franchises heretofore created by Board of Supervisors of the County of Monterey bearing Ordinance Nos. 335, 337, 354 and 621. Applicant states that possession of an indeterminate franchise will definitely establish its electric franchise rights in the City of Gonzales and eliminate the necessity of obtaining from the city new or additional franchise rights to continue or effect qualification of outstanding or future issues of its bonds as legal investments for savings banks and trust funds; that it will thereby be enabled to obtain a broader market for the sale of its bonds with resultant higher prices therefor.

We conclude that the requested certificate should be granted, subject, however, 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 in the above-entitled application, the matter having been submitted, the Commission being fully advised and hereby finding that public convenience and necessity so require,

IT IS ORDERED that a certificate of public convenience and necessity be and it is hereby granted to Pacific Gas and Electric Company to exercise the rights and privileges conferred by Ordinance No. 31 of the City of Gonzales, adopted April 4, 1950.

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

Dated at San Francisco, California, this 6th day of March, 1951.

R. E. Underwood
James J. O'Connell
Harold A. Huls
Robert L. Potter
John E. McMillan
COMMISSIONERS