

ORIGINAL

Decision No. 47581

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA EDISON COMPANY,)
a corporation, for Certificate that)
Public Convenience and Necessity)
require and will require the exercise)
by Applicant of the rights, privileges)
and franchise granted by Ordinance No.)
679 of the County of Santa Barbara,)
State of California, to construct,)
operate, alter, maintain and use an)
electric distribution, transmission)
and communication system within said)
County.)

Application No. 33370

Bruce Renwick, Rollin E. Woodbury, and
Harry S. Sturges, Jr., by Harry S. Sturges,
Jr., for applicant; Ralph W. DuVal and
Frederick T. Searls, by Frederick T. Searls,
for Pacific Gas and Electric Company,
interested party.

O P I N I O N

Southern California Edison Company in this proceeding asks for a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the County of Santa Barbara, permitting the installation, maintenance, and use of an electric distribution and transmission system upon the public streets of said county. A public hearing was held before Commissioner Huls and Examiner Crenshaw on June 26, 1952, at Los Angeles.

The franchise referred to, a copy of which is attached to the application and designated as Exhibit "A", was granted by the county in accordance with the Broughton Act and is for a term of 50 years. A fee is payable annually 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 \$807.06, which amount does not include the \$50.00 filing fee and \$5.53 expense of publication of notice of hearing. The total cost of the franchise and certificate was stated to have been \$862.59.

The Southern California Edison Company has been serving electric energy for many years in the southeasterly portion of Santa Barbara County along the coastal areas from the Ventura County line westward to a point beyond Point Conception. The Pacific Gas and Electric Company is rendering service in other portions of Santa Barbara County, with the exception of the City of Lompoc which operates a municipally owned utility.

It was stated at the hearing that it was not the intention of this application to request authorization for applicant to compete with Pacific Gas and Electric Company in the business of furnishing and supplying electric service in Santa Barbara County.

Applicant presented in Exhibit No. 1 a description and a map setting forth a division of territory between it and the Pacific Gas and Electric Company in Santa Barbara County. The record shows that this division of territory was agreed to after discussions between representatives of Pacific Gas and Electric Company and the Southern California Edison Company.

In some instances the services of Pacific Gas and Electric Company and Southern California Edison Company are very close together and therefore there is a need for a division of territory between the two utilities in order to avoid duplication of facilities to render service. According to the record there are other portions of Santa Barbara County in which neither utility has facilities to

render service. However, in the future, as those portions of Santa Barbara County develop and extensions are made by each of the utilities in the normal course of business, it is possible that the proposed line dividing the territory will have to be changed so as to provide electric service to customers in the most economical manner.

In this proceeding applicant has requested a certificate to exercise the rights and privileges set forth in Franchise Ordinance No. 679 of Santa Barbara County to be applicable to the entire county for the construction, operation, and maintenance of electric facilities to be used for other than distribution purposes and further, that the certificate be applicable to the construction, operation, and maintenance of all electric facilities, including transmission and distribution lines and appurtenances, in the territory served by the Southern California Edison Company, as set forth in Exhibit No. 1 and as agreed upon by both utilities.

It was also the testimony that Pacific Gas and Electric Company had obtained a franchise some time ago from the County of Santa Barbara for which a limited certificate was granted by this Commission by Decision No. 34504 dated August 12, 1941, in Application No. 22733. In that decision the Commission commented as follows:

"A joint hearing in this application and Application No. 22732 was held and from the testimony received it appears that Applicant or its predecessors for many years have rendered electric service within the county except in the municipally supplied City of Lompoc and on the coastal plain lying south of the Santa Ynez Mountains and extending from Gaviota, on the west, to the southeastern boundary of the county which is supplied by Southern California Edison Company Ltd. and it also appears that Applicant is not seeking the requested authority for the purpose of competing with Southern California Edison Company Ltd. or the City of Lompoc."

In the above decision no mention was made of any particular division line such as that which is being sought in this proceeding. However, it appears necessary that some line of demarcation between the two territories should be established. The division line as agreed upon between Southern California Edison Company and Pacific Gas and Electric Company appears to be reasonable, particularly where the facilities of both companies are practically adjacent to each other. In the territory, however, where neither company is now rendering service there may be a question at some future date as to which company could render service, if requested, with the least cost to the consumer who is applying for the service. In certain instances the division line was determined by geographical boundaries, such as mountainous territory, which to some extent would preclude the reasonable extension of lines by either utility into the territory of the other. For the purpose of this decision we will authorize the division of territory as set forth in Exhibit No. 1, with the reservation that in those localities where these two utilities are not now serving electric energy the division line may be altered or changed by the Commission where circumstances may require.

The application and the evidence introduced by applicant indicate that, while possessing valid franchise rights under which to continue this service, applicant had obtained the present franchise primarily for the purpose of extending its franchise rights for a period commensurate with the life of its mortgage bonds and thus affording a greater marketability for its bonds.

The Commission is of the opinion that the requested authority should be granted, with appropriate limitations concerning the territories of the Pacific Gas and Electric Company and applicant.

The certificate of public convenience and necessity herein granted 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

The above-entitled application having been filed, a public hearing having been held, the matter having been submitted and now being ready for decision,

IT IS HEREBY FOUND AS A FACT that public convenience and necessity require the exercise by applicant of the right, privilege and franchise granted to applicant by Ordinance No. 679 of the County of Santa Barbara, subject to appropriate limitations concerning the territory not now served.

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and is granted to Southern California Edison Company to exercise the rights and privileges granted by the County of Santa Barbara by Ordinance No. 679 adopted November 5, 1951, subject, however, to the following conditions and limitations:

1. That Southern California Edison Company shall not exercise said franchise for the purpose of supplying electricity in those parts or portions of Santa Barbara County not now served by it except through extensions of its existing system made in the ordinary course of business as contemplated by Section 1001 of the Public Utilities Code; and

2. That except upon further certificate of this Commission first obtained, Southern California Edison Company shall not exercise said franchise for the purpose of supplying electricity in those parts or portions of said county which are to be served by Pacific Gas and Electric Company as shown in applicant's Exhibit No. 1.
3. That the Commission hereafter by appropriate proceeding and order may limit the authority herein granted to Southern California Edison Company concerning 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 19th day of August, 1952.

R. T. [Signature]
President.
Justin F. [Signature]
Harold [Signature]
[Signature]
Commissioners.

Commissioner Kenneth Pottay, being necessarily absent, did not participate in the disposition of this proceeding.