

ORIGINALDecision No. 48744

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
THE PACIFIC TELEPHONE AND TELEGRAPH
COMPANY, a corporation, for an order
 granting it a certificate that public
 convenience and necessity require the
 exercise by it of the rights and
 privileges conferred upon it under
 the franchise granted by the City of
 Stockton by Ordinance No. 2585 on the
 9th day of February, 1953.

Application No. 34234

Arthur T. George and Pillsbury, Madison and
 Sutro, by Dudley A. Zenke, for applicant.
William Biddick, Jr., Deputy City Attorney,
 for the City of Stockton, interested party.

O P I N I O N

The Pacific Telephone and Telegraph Company in this proceeding asks for a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted under its charter by the City of Stockton by Ordinance No. 2585 on the 9th day of February, 1953. A public hearing was held before Examiner Daly on June 4, 1953 at San Francisco. An appearance was made on behalf of the City of Stockton as an interested party. No appearance in protest was made to the authority sought.

The franchise referred to, a copy of which was received in evidence as Exhibit No. 1, covers a period of twenty-five years and provides for annual payments computed at 2 per cent of a portion of applicant's gross receipts from the Stockton exchange in accordance with the so-called Tulare or Dinuba principle.

The costs incurred by applicant in obtaining the franchise are stated to have been \$455.26, which amount does not include costs

incident to this application. Applicant stipulated that it will never claim any value for said franchise greater than \$455.26.

Applicant and its predecessor, Sunset Telephone and Telegraph Company, have for many years served within the City of Stockton without competition. As of April 30, 1953, there were 46,126 telephones in applicant's Stockton exchange.

After full consideration, the Commission is of the opinion and so finds that public convenience and necessity require the exercise by applicant of the right, privilege and franchise granted to applicant by the City of Stockton by Ordinance No. 2585.

The certificate of public convenience and necessity herein granted is subject to the following provisions 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

A public hearing having been held and based upon the evidence adduced therein,

IT IS ORDERED that a certificate of public convenience and necessity is hereby granted to The Pacific Telephone and Telegraph Company to exercise the rights and privileges granted

by the City of Stockton by Ordinance No. 2585 adopted on the 9th day of February, 1953.

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

Dated at San Francisco, California, this 23rd day of January, 1953.

R. E. Johnson
President

James F. Calder

Samuel Patten

W. L. Mitchell

Commissioners

Commissioner Harold P. Ruiz, being necessarily absent, did not participate in the disposition of this proceeding.