

ORIGINAL

Decision No. 49202

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)
 Sacramento by Ordinance No. 1740,)
 Fourth Series, on the 14th day of)
 May, 1953.)

Application No. 34525

Arthur T. George and Pillsbury, Madison
 and Sutro, by Dudley A. Zinke, for
 applicant.

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 Sacramento by Ordinance No. 1740, Fourth Series, on the 14th day of May, 1953, covering the corporate limits of said city as of May 19, 1905.

A public hearing was held before Examiner Daly on September 28, 1953, at San Francisco. No appearance was made in protest to the authority sought.

The franchise referred to, a copy of which was received in evidence as Exhibit No. 1, covers a period of five years and provides for annual payments computed at two per cent of a portion of applicant's gross receipts from the Sacramento 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 \$342.99, which amount does not include costs

incident to this application. Applicant stipulated that it will never claim any value for said franchise greater than \$342.99.

Applicant has at present 113,000 telephones and 250 tele-typewriter stations in the Sacramento exchange. It was asserted that applicant is the only public utility presently offering telephone service within the City of Sacramento.

After full consideration, the Commission is of the opinion and so finds that public convenience and necessity require the exercise by applicant of the franchise granted by the City of Sacramento by Ordinance No. 1740, Fourth Series.

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 or 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 Sacramento by Ordinance No. 1740, Fourth Series, adopted on the 14th day of May, 1953.

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

Dated at San Francisco, California, this 13th day of October, 1953.

[Signature]
 President
Justin J. Casper
Kenneth D. Potter
John L. Mitchell

Commissioners