

**ORIGINAL**Decision No. 49491

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
 GENERAL TELEPHONE COMPANY OF CALIFORNIA )  
 a corporation, for an order granting )  
 it a certificate declaring that public )  
 convenience and necessity require the ) Application No. 34846  
 exercise by it of the rights and privi- )  
 leges conferred upon it under the )  
 franchise granted it by the City of )  
 Covina by Ordinance No. 340. )

O'Melveny & Myers, by Frederick N. Edwards, and  
Marshall K. Taylor and A. M. Hart, attorneys, for  
applicant; Maurice O'Connor, acting city attorney,  
for the City of Covina.

O P I N I O N

General Telephone Company of California, a corporation, by the above-entitled application filed November 4, 1953, seeks a certificate that public convenience and necessity require the exercise by it of the rights and privileges under a franchise granted by Ordinance No. 340 of the City of Covina. The area covered by the franchise and the boundaries of the City of Covina are shown on the map Exhibit B attached to the application.

A public hearing in this matter was held before Examiner Warner on December 16, 1953, at Los Angeles.

A copy of Ordinance No. 340 of the City of Covina granting applicant a franchise which became effective October 8, 1953, and will extend for 50 years, was attached to the application as Exhibit A. Proof of publication of the notice of hearing was

submitted at the hearing, and affidavit of service by mail on the mayor and city attorney of the City of Covina was filed with the application.

No protests to the granting of the application were entered at the hearing.

Applicant furnishes telephone service to approximately 2,400 subscribers in the franchise area and its investment in plant is about \$1,800,000 in said area. A franchise granted to a predecessor of applicant by Ordinance No. 27 of the City of Covina on or about August 26, 1902, expired on or about August 31, 1952.

Applicant paid the City of Covina \$200 for the franchise granted by Ordinance No. 340. The cost of publishing said franchise amounted to approximately \$200.

The franchise granted by Ordinance No. 340 is a Broughton Act franchise. Payments to the City of Covina for the year 1952 under Ordinance No. 27 hereinbefore referred to amounted to \$2,852.37, which is two per cent of gross revenues arising from the use, operation or possession of the rights granted by that ordinance. No change in methods of computing annual payments is contained in Ordinance No. 340.

The record shows that telephone service is rendered by no other public utility within the City of Covina and it appears that public interest requires that applicant continue to render telephone service within said city.

The Commission has considered the application of General Telephone Company of California for a certificate of public convenience and necessity and is of the opinion that it should be granted 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 as the consideration for the grant of such franchise, certificate of public convenience and necessity or right.

O R D E R

Application as above entitled having been filed, a public hearing having been held, the matter having been submitted and the Commission being fully advised and finding that public convenience and necessity so require,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be, and it is, granted to General Telephone Company of California, a corporation, authorizing the exercise by it of the rights and privileges granted it by the City of Covina by Ordinance No. 340.

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

Dated at San Francisco, California, this 5th day of January, 1954.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
Commissioners