

**ORIGINAL**Decision No. 52765

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SOUTHERN CALIFORNIA EDISON COMPANY,  
a corporation, for a Certificate that  
Public Convenience and Necessity re-  
quire and will require the exercise  
by Applicant of the rights, privileges  
and franchise granted by Ordinance  
No. 344 of the City of Rialto, County  
of San Bernardino, State of California.

Application No. 37648

Bruce Renwick, Rollin E. Woodbury and Harry W.  
Sturgis, Jr., by Harry W. Sturgis, Jr., for  
applicant. D. B. Wheelock and H. M. Hammack,  
for California Electric Power Company, in-  
terested party. Norman R. Johnson for the  
Commission's staff.

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 City of Rialto, County of San Bernardino, permitting the installation, maintenance and use of an electric distribution and transmission system upon the streets of said city.

A public hearing was held before Examiner Kent C. Rogers in Los Angeles on February 15, 1956. Prior to the hearing, notice thereof was published as required by this Commission.

The franchise referred to, a copy of which is attached to the application and designated as Exhibit A, was granted by the

city in accordance with the Franchise Act of 1937 (Division 3, Chapter 2, California Public Utilities Code), and is of indeterminate duration. A fee is payable annually to the city equivalent to two percent of the gross annual receipts arising from the use, operation or possession of the franchise; provided, however, that such payment shall in no event be less than a sum which shall be equivalent to one percent of the gross annual receipts of the grantee from the sales of electric energy within the limits of said city under the franchise.

The costs incurred by applicant in obtaining the franchise are stated to have been \$59.15, which amount does not include the Public Utilities Commission's fee of \$50 for the filing of the instant application, and \$10 for the expense of publication of notice of hearing. The total cost of the franchise and certificate was stated to be \$119.15.

No objection to the granting of the certificate has been entered.

In 1956 the City of Rialto annexed certain territories in the County of San Bernardino (see Item No. 2 of Exhibit No. 2). Applicant has for several years been serving electric energy to the inhabitants of the annexed territories pursuant to County franchises.

The consumers within the City of Rialto, as the city existed prior to the 1956 annexations, received their electrical energy from the California Electric Power Company, and surrounding county territories were served either by the applicant or the California Electric Power Company. In order that the applicant may continue to serve the various newly annexed portions of the City of Rialto in which it provided service while

such were portions of San Bernardino County and which it will continue to serve as portions of the City of Rialto, the applicant is required to have transmission lines through the portion of the City of Rialto served by the California Electric Power Company. The latter company has no objection to the installation and maintenance by applicant of such transmission lines.

It was stated at the hearing that it is not the intention of this application to request authorization for applicant to compete with California Electric Power Company in the business of furnishing and supplying electric service in any portion of the City of Rialto served by the latter company. Applicant presented in Exhibit No. 2 descriptions and a map setting forth a division of territory between it and the California Electric Power Company in the City of Rialto. The record shows that this division of territory was agreed to after discussions between representatives of applicant and California Electric Power Company.

The application and the evidence introduced by applicant indicate that, while it possesses a valid franchise under which to continue service for a limited period of time, applicant obtained the present franchise primarily for the purpose of extending its franchise right for an indefinite period in order to facilitate the marketing of any securities it may issue.

Upon the record herein the Commission finds that public convenience and necessity require the exercise by the applicant of the right, privilege and franchise granted to the applicant by Rialto City Ordinance No. 344, with appropriate limitations concerning the territories to be served, respectively, by the

California Electric Power Company and the applicant, subject 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

An application having been filed, a public hearing having been held thereon, evidence having been presented, and the Commission having made the foregoing findings, and based upon said findings,

IT IS HEREBY ORDERED that Southern California Edison Company be and it is hereby granted a certificate that public convenience and necessity require the exercise by it of the rights, privileges and franchise granted to it by Ordinance No. 344 of the City of Rialto, State of California, which ordinance was adopted August 15, 1955, by the City Council of said City, 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 to

those parts or portions of the City of Rialto 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.

(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 city which are to be served by California Electric Power Company, as shown in pink on applicant's Exhibit No. 2.

(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 City of Rialto not then being served by it.

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

Dated at San Francisco, California, this 13th day of March, 1956.

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