

Decision No. 53037**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PACIFIC GAS AND ELECTRIC COMPANY for
 an order of the Public Utilities
 Commission of the State of California
 issuing to applicant a certificate of
 public convenience and necessity to
 exercise the right, privilege and
 franchise granted to applicant by
 Ordinance No. 455 of the Board of
 Supervisors of the County of Fresno,
 State of California.
 (Gas)

Application No. 37740

F. T. Searls and Malcolm A. MacKillop, for applicant.O P I N I O N

Pacific Gas and Electric Company by the above-entitled application filed February 14, 1956, asks for a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the County of Fresno permitting the installation, maintenance, and use of a gas distribution and transmission system in the public streets of said county. A public hearing was held before Examiner Daly on April 18, 1956, at San Francisco.

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 of indeterminate duration. A fee is payable annually to the county starting after the fifty year equivalent to 2 per cent of the gross 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 \$1,036.92, which amount does not include costs incident to this application.

No objection to the granting of the requested certificate has been entered. Southern California Gas Company and the City of Coalinga also provide gas service in Fresno County. By Decision No. 45026, dated November 21, 1950, in Application No. 31701, the Commission authorized applicant and Southern California Gas Company to enter into an agreement relating to the demarcation of their respective gas service areas in Fresno County. The City of Coalinga owns and operates a gas distribution system by which it supplies gas to residents and industries situated in said city and territory immediately adjacent thereto. For a number of years the City of Coalinga has purchased gas from applicant and its predecessor. According to applicant the authority herein sought is not for the purpose of competing with Southern California Gas Company or the City of Coalinga in the areas which they serve.

It is estimated that the number of customers served within the unincorporated portions of this county is 23,300. Applicant has approximately 652.97 miles of gas mains in the unincorporated territory of said county.

After consideration the Commission is of the opinion and hereby finds that public convenience and necessity require the exercise by applicant of the right, privilege and franchise granted to applicant by Ordinance No. 455 of the County of Fresno, subject to appropriate restrictions concerning the territory not now served.

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 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 ORDERED that a certificate of public convenience and necessity be and is granted to Pacific Gas and Electric Company to exercise the rights and privileges granted by the County of Fresno by Ordinance No. 455 adopted June 7, 1955.

IT IS HEREBY FURTHER ORDERED:

1. That Pacific Gas and Electric Company shall not exercise said franchise for the purpose of competitively supplying gas in the areas served by the Southern California Gas Company and/or the City of Coalinga.

2. That Pacific Gas and Electric Company shall not exercise said franchise for the purpose of supplying gas in those parts or portions of Fresno 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.

3. That the Commission may hereafter by appropriate proceeding and order limit the authority herein granted to applicant as to any territory within said county 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 8th day of May, 1956.

E. P. Mitchell
President
James J. Cullum
Robert J. Metcalfe
W. H. Hoyle
R. H. Hoyle
Commissioners