

ORIGINAL

Decision No. 53059

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. NS-226 of the City)
 Council of the City of Santa Cruz,)
 County of Santa Cruz, State of)
 California. (Gas)

Application No. 37625

F. T. Searls and Malcolm A. MacKillop, for applicant.

O P I N I O N

Pacific Gas and Electric 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 Santa Cruz, permitting the installation, maintenance, and use of a gas distribution and transmission system in the streets of said city. A public hearing was held before Examiner Daly on April 26, 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 city in accordance with the Franchise Act of 1937, and is of indeterminate duration. A fee is payable annually to the city equivalent to two per cent of the gross receipts arising from the use, operation, or possession of the franchise, but not less than one per cent of the gross annual receipts from sales of gas within the limits of the city under said franchise.

The costs incurred by applicant in obtaining the franchise are stated to have been \$42, which amount does not include costs incident to this application.

No objection to the granting of the requested certificate has been entered. Furthermore, this utility or its predecessors have for many years served gas in and about the City of Santa Cruz without competition. As of December 31, 1955, it served 9,561 customers within the city from approximately 112.12 miles of gas mains therein.

After 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 Ordinance No. NS-226 of the City of Santa Cruz.

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

1. 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.
2. 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

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 it is hereby granted to Pacific Gas and Electric Company to exercise the rights and privileges granted by the City of Santa Cruz by Ordinance No. NS-226 adopted October 11, 1955.

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

Dated at Los Angeles, California, this 15th day of May, 1956.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]

Commissioners