

ORIGINALDecision No. 55241

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 a cer-)
 tificate of public convenience and)
 necessity to exercise franchise)
 rights under Ordinance No. 5102)
 C.M.S. of the City of Oakland,)
 California, dated December 11, 1956.)

Application No. 38894

Arthur T. George and Pillsbury, Madison
 & Sutro by Dudley A. Zenke, for applicant.
Robert E. Nesbit, for the City of Oakland,
 interested party.
James H. Haley, for the Commission staff.

O P I N I O N

The Pacific Telephone and Telegraph Company in this proceeding, requests a certificate of public convenience and necessity to exercise the rights and privilege of a franchise granted by the City of Oakland, permitting the installation, maintenance and use of a telephone system within an area encompassed by the corporate limits of said City as of May 19, 1905. A public hearing was held before Examiner Thomas E. Daly on June 4, 1957, at San Francisco.

The franchise referred to, a copy of which is attached to the application and designated as Exhibit A is for a period of five years. A fee is payable annually to the City equivalent to 2 per cent of the gross annual receipts arising from the use, operation, or possession of the franchise within the area specified. It was estimated that this would amount to approximately \$75,000 annually. Under the terms of expired franchise applicant would have been required to pay approximately \$320,953.84 annually. The savings it was stated would go into applicant's general fund.

Whereas the expired franchise provided for extensive free telephone service to the City of Oakland, the present franchise makes no such provision. Applicant has, however, committed itself by letters to supplying the City's police and fire departments with limited facilities free of charge.

No appearance was made in protest to the authority sought.

After consideration it is hereby found as a fact that public convenience and necessity require the exercise by applicant of the right, privilege and franchise granted to applicant by Ordinance No. 5102 C.M.S. of the City of Oakland.

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, certificate of public convenience or right.

O R D E R

Application having been filed and the Commission being informed in the premises,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is hereby granted to The Pacific Telephone and Telegraph Company, to exercise the rights and

privileges granted by the City of Oakland, by Ordinance No. 5102
C.M.S. adopted December 11, 1956.

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

Dated at San Francisco, California, this 9th
day of JULY, 1957.

President
Raul J. Subermea

William J. Daley

R. R. Kelly

C. J. Fox
Commissioners

Commissioner Peter E. Mitchell, being
necessarily absent, did not participate
in the disposition of this proceeding.