

Decision No. 73360

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application ) of CALIFORNIA-AMERICAN WATER ) COMPANY for a certificate of ) convenience and necessity. )

Application No. 49723 (Filed October 13, 1967)

## <u>O P I N I O N</u>

Applicant requests a certificate to exercise a non-exclusive water system franchise granted October 5, 1967 by Ordinance No. 317 of the City of Seaside, Monterey County, California (Public Utilities Code, Sec. 1002).

Applicant alleges that it has been serving water in portions of Monterey County, including what is presently a portion of the City of Seaside, for many years and has been granted the recent franchise to continue its services within the City. The franchise is for a period of 30 years. It provides for payment of an annual sum to the City equivalent to 2 percent, but in no event less than 1 percent, of the gross annual receipts of the grantee arising from the use, operation or possession thereof.

Applicant alleges that it does not intend to exercise the rights granted by Ordinance No. 317 in any territory in the City of Seaside other than that it presently serves, including areas it presently serves as lessee and operator of the properties of Pollock Water Service, Inc.; also, that it does not seek to exercise the rights granted by such franchise in any other areas in the City of Seaside unless and until its service area is extended and such extension is on file with the Commission in the manner required by law. Applicant further alleges that no additional territory or change in present service is involved in the instant application.

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Upon consideration of the application herein, we find that public convenience and necessity require the exercise by applicant, California-American Water Company, of the rights and privileges granted in the franchise conferred by Ordinance No. 317 of the City Council of the City of Seaside, California.

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

1. 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 issuance of such franchise, certificate of public convenience and necessity or right.

2. 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.

A public hearing is not necessary.

## O R D E R

IT IS ORDERED that a certificate of public convenience and necessity is granted to California-American Water Company to exercise the rights and privileges conferred by the franchise issued

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pursuant to Ordinance No. 317, adopted October 5, 1967, by the City Council of the City of Seaside, California.

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

N Dated at	San Francisco	, California, this
2   <sup>22/</sup> day of	NOVEMBER	, 1967.
		Mothell,
		President

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Commissioner William M. Bennett, being necessarily absont, did not participate in the disposition of this proceeding.