

ORIGINAL

Decision No. 80517

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application
of SOUTHERN CALIFORNIA EDISON
COMPANY, a Corporation, for Certificate
that Public Convenience and Necessity
Require and will Require the Exercise
by Applicant of the Rights, Privileges
and Franchise granted by the City
of Irvine, County of Orange, State of
California, in Accordance with
Franchise Ordinance No. 24 of said City.

Application No. 53453
(Filed July 13, 1972)

O P I N I O N

Southern California Edison Company (Edison), requests a certificate of public convenience and necessity to exercise a franchise granted to it by the City of Irvine. The application is made under Section 1002 of the Public Utilities Code. Edison is engaged in the business of generating, transmitting and distributing electricity in the central and southern portions of the State of California. It has been serving electricity for many years within the area now known as the City of Irvine under franchise rights granted by the County of Orange and is the only utility presently providing electric service within the City of Irvine.

On April 25, 1972, the Irvine City Council passed and adopted Ordinance No. 24, granting Edison a 1937 Act franchise to use and to construct and use, for transmitting and distributing electricity for any and all purposes, poles, wires, conduits and appurtenances including communication circuits necessary and property therefor, in, along, across, upon, over and under the streets within the City of Irvine. A copy of said Ordinance is attached to the application as Exhibit A. The franchise granted by the ordinance is of indeterminate duration. A fee is payable annually to the city equivalent to 2 percent of the gross annual receipts arising from use, operation,

or possession of the franchise, provided, however, that in no event shall such payment be less than 1 percent of the gross annual receipts of Edison derived from sale of electricity within the city limits.

The application states that Edison has obtained a franchise from the City of Irvine so as to more definitely establish and extend its franchise rights within the City. Edison believes that the possession, ownership and exercise of the franchise will be of value in connection with the qualification of Edison's outstanding bonds and in effecting qualification of future issues of bonds as legal investments in states having laws relating to the qualification of bonds in public utility companies.

As of December 31, 1971, Edison was serving approximately 5,242 customers within the City of Irvine and had a gross revenue calculated approximately to be in the amount of \$3,376,000 for the preceding calendar year.

The actual cost to Edison of the franchise was \$30.00, exclusive of the fee of \$75.00 paid to the Public Utilities Commission of the State of California under and pursuant to the provisions of Section 1904(a) of the Public Utilities Code.

Exhibit B, attached to the application, is a stipulation whereby Edison agrees that neither it nor its successors or assigns will claim before the Commission or any court or other public body, a value for said franchise in excess of the original cost thereof or for the certificate of public convenience and necessity to exercise the franchise which may be granted by the Commission a sum in excess of the costs to Edison.

After consideration, the Commission finds that:

1. Public convenience and necessity require the exercise by Southern California Edison Company of the rights and privileges conferred in the franchise granted by Ordinance No. 24 of the City of Irvine.

2. A public hearing is not necessary.

The Commission concludes that:

1. The application should be granted.
2. The certificates of public convenience and necessity issued herein are subject to the following provisions of law:

- (a) The Commission shall have no power to authorize the capitalization of the franchise involved herein or these certificates of public convenience and necessity, or the right to own, operate or enjoy such franchise or certificates 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, certificates of public convenience and necessity or right.
- (b) 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

IT IS ORDERED that a certificate of public convenience and necessity is granted to Southern California Edison Company to exercise the rights and privileges conferred by the franchise issued pursuant to Ordinance No. 24 of the City Council of the City of Irvine.

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

Dated at San Francisco, California, this 19th day of SEPTEMBER, 1972.

Vernon L. Sturgeon
President

William L. Simpson
J. F. Valerius

[Signature]
Commissioners

-3- Commissioner Thomas Moran, being necessarily absent, did not participate in the disposition of this proceeding.