

ORIGINALDecision No. 81571

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 issuing a certificate of
 public convenience and necessity to
 exercise the right, privilege and
 franchise granted to applicant by
 Ordinance No. 73-2 of the City Council
 of Hughson, Stanislaus County,
 California.

(Gas)

Application No. 54077
 (Filed June 1, 1973)

O P I N I O N

This is an application by Pacific Gas and Electric Company (PG&E) seeking authority to exercise the rights and privileges granted it by a franchise from the city of Hughson.

Applicant is engaged in the purchase, distribution, and sale of gas in various places in California. It presently furnishes gas to approximately 820 customers in Hughson. As of December 31, 1972, it had 9.7 miles of gas distribution mains in Hughson.

The verified application avers that applicant has been conducting operations in Hughson pursuant to a franchise granted it by Stanislaus County. On March 7, 1973, the City Council of the city of Hughson adopted Ordinance No. 73-2, which grants PG&E a franchise to indefinitely conduct its gas business in the city. The franchise would supersede the previously mentioned county franchise with respect to the area lying within the city limits. PG&E has included in the application a stipulation that it will not claim before this Commission or any court or other public body any value for the franchise in excess of its original cost which is stated to be the sum of \$91.24.

Ordinance No. 73-2 is attached to the application as Exhibit A. Examination of the ordinance indicates that the franchise

granted therein is of the standard type between gas utilities and cities. It provides for a payment of 2 percent of applicant's annual gross receipts arising from the use, operation, or possession of the franchise, provided, however, that such payment shall in no event be less than 1 percent of the gross annual receipts of the applicant derived from the sale of gas within the city limits.

The Commission makes the following findings and conclusions in this matter.

Findings of Fact

1. A public hearing is not necessary in this matter.
2. Public convenience and necessity require the exercise by Pacific Gas and Electric Company of the rights and privileges granted in the franchise conferred by Ordinance No. 73-2 of the City Council of the city of Hughson.

Conclusions of Law

1. The application should be granted.
2. The certificate of public convenience and necessity issued herein is subject to the following provisions of law:
 - (a) 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.
 - (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 Pacific Gas and Electric Company to exercise the rights and privileges conferred by the franchise issued pursuant to Ordinance No. 73-2 of the City Council of the city of Hughson.

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

Dated at San Francisco, California, this 3rd day of JULY, 1973.

William L. Stevenson
President
William L. Stevenson
William L. Stevenson
William L. Stevenson
Commissioners