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Decision No. 84448

**ORIGINAL**

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 Resolution No. 74/1084 of the )  
Board of Supervisors of Contra )  
Costa County, California. )

Application No. 55554  
(Filed March 12, 1975)

O P I N I O N

Pacific Gas and Electric Company (PG&E) requests a certificate of public convenience and necessity to exercise the rights and privileges of a franchise granted by the county of Contra Costa, permitting the installation, maintenance, and use of pipelines and other appurtenances upon the streets of said county.

The franchise referred to, a copy of which is attached to the application and designated as Exhibit A, was granted by the county for a term of 40 years. No map is filed herewith for the reason that the franchise covers the entire county as it is now or may hereafter be constituted. A fee is payable annually to the county equivalent to one cent per inch of nominal internal diameter per lineal foot of pipe within the county highways.

The costs incurred by PG&E in obtaining the franchise are stated to have been \$409.70, which amount does not include costs incident to this application.

PG&E's Pittsburg and Contra Costa (Antioch) power plants in northern Contra Costa County serve the San Francisco Bay Area and parts of northern and central California and represent about 30 percent of PG&E's total electrical generating capacity. PG&E is forced to rely more heavily now than in the past on fuel oil to fire the boilers in these plants. It is anticipated that up to 30 million barrels per year of low sulphur fuel oil will be required to operate the two plants. As an initial project under the county franchise, PG&E has negotiated with the Standard Oil Company of California (SOCAL) to supply a portion of this oil and plans to construct a pipeline between the SOCAL Richmond refinery and the Pittsburg and Antioch power plants.

Greater reliance on oil as the primary boiler fuel has been made necessary by the following factors:

1. The declining reserves of natural gas available in the United States and the curtailment of supplies to PG&E by its principal suppliers.
2. The decision of the Canadian National Energy Board to deny all pending applications to increase the quantities of natural gas which can be exported to California from Canada.

Alternatives to the pipeline have been considered and rejected.

A copy of the final Environmental Impact Report prepared by the lead agency, the Bay Area Conservation & Development Commission, is included as an addendum to the application, and is hereby included in the proceeding as Exhibit 1. The Commission has considered this report which appears to be complete and which does not raise objection to the subject project to be initially constructed under the franchise.

Based upon the EIR of the lead agency, the Commission finds with reasonable certainty that there will not be a substantial impact on the environment caused by this project.

No objection to the granting of the requested certificate has been received and a public hearing is not necessary.

After consideration the Commission finds that public convenience and necessity require the exercise by PG&E of the right, privilege, and franchise granted to PG&E by Resolution No. 74/1054 of the Board of Supervisors of Contra Costa County.

The certificate of public convenience and necessity herein granted 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 grant 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.

#### 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 granted by the county of Contra Costa, Resolution No. 74/1084, adopted December 24, 1974.

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

Dated at San Francisco, California, this 20<sup>th</sup> day of MAY, 1975.

Thomas L. Stinson  
President  
William J. Brown Jr.  
Donald R. ...  
Robert ...  
Commissioners