

Decision No. 12032

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
COAST COUNTIES GAS AND ELECTRIC COMPANY,
a corporation, for a certificate of the
Railroad Commission that public conven-
ience and necessity require the exercise
of the franchises granted to said company
by Ordinances Nos. 320 and 321 of the
City of Gilroy.

Application No. 8921

Leo H. Susman for Applicant

MARTIN, COMMISSIONER:

O P I N I O N

Coast Counties Gas and Electric Company asks the Railroad Commission to declare that public convenience and necessity require the exercise by applicant of the rights and privileges granted by Ordinances Nos. 320 and 321 passed on March 12th, 1923, by the Common Council of the City of Gilroy, State of California. A hearing was held on April 26th and the matter submitted.

Copies of these ordinances have been filed in this proceeding. In general, Coast Counties Gas and Electric Company, its successors and assigns, is granted for a term of twenty-five (25) years, the right to construct and maintain electric lines and gas mains in the highways, streets and alleys in the City of Gilroy and to use the same for the purpose of conveying, distributing and supplying electricity and gas to the public, and particularly to the inhabitants of the City of Gilroy for light, heat, power and all lawful purposes, all rights being subject to the terms and conditions set forth in the Ordinances.

Among other things, the Ordinances require that applicant, its successors and assigns pay during the life of these franchises to the said City of Gilroy an amount equal to 2% of the gross annual receipts arising from the use, operation and possession thereof, the payment of this tax to start on April 12, 1923, the effective date of these franchises.

Both the gas and electric system in Gilroy were originally operated as municipal enterprises, but for a number of years, the property has been under lease to the Coast Counties Gas and Electric Company and has been operated by it. This arrangement continued until February 27th, 1922, on which date applicant purchased the systems outright from the City.

Evidence shows that no other utility is at present supplying either gas or electricity in the City of Gilroy. Applicant reports the cost of securing these franchises at Twenty-five (\$25) Dollars each and has filed a stipulation agreeing that neither it nor its successors and assigns will ever claim before the Railroad Commission of the State of California a value for either franchise in excess of Twenty-five (\$25) Dollars.

I hereby submit the following form of Order:

O R D E R

Coast Counties Gas and Electric Company, having asked the Railroad Commission to declare that public convenience and necessity require applicant, its successors and assigns, to exercise the rights and privileges granted to it by the City of Gilroy under Ordinances Nos. 320 and 321, passed on March 12th, 1923, by the Common Council of said City of Gilroy, public hearing having been held and it appearing to the Railroad Commission that public convenience and necessity require applicant, its

successors and assigns, to exercise the rights and privileges granted to it by the City of Gilroy under Ordinances Nos. 320 and 321 passed on March 12th, 1923, by the Common Council of said City of Gilroy, public hearing having been held and it appearing to the Railroad Commission, that public convenience and necessity require the exercise by applicant, its successors and assigns, of the rights and privileges referred to in said Ordinances, therefore,

The Railroad Commission of the State of California, hereby declares that public convenience and necessity require, and will require the exercise by Coast Counties Gas and Electric Company, its successors and assigns of the rights and privileges conferred upon it by Ordinances Nos. 320 and 321, both passed on March 12th, 1923, by the Common Council of the City of Gilroy.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission in the State of California.

Dated at San Francisco, this 3^d day of

May, 1923.

C. Leary
H. B. Lidge
Dwight Martin

Commissioners