

Decision No. 14093

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application  
of COAST VALLEYS GAS AND ELECTRIC  
COMPANY, a corporation, for a  
certificate of public convenience  
and necessity to exercise a fran-  
chise granted by the County of  
San Benito.

ORIGINAL

Application No. 9612.

Chickering & Gregory, by W. C. Fox, for the  
Applicant.  
Chas. P. Cutten, for protestant Pacific Gas  
and Electric Company as lessee of the  
properties of the Sierra and San Francisco  
Power Company.  
Leo H. Susman, for protestant Coast Counties  
Gas and Electric Company.

MARTIN, COMMISSIONER:

O P I N I O N

In this application Coast Valleys Gas and Electric Company asks that the Railroad Commission certify that public convenience and necessity require the exercise of a franchise for the construction and operation of an electric distribution system in a portion of San Benito County.

The application is protested by Coast Counties Gas and Electric Company and by Pacific Gas and Electric Company as lessee of the property of Sierra and San Francisco Power Company.

Coast Valleys Gas and Electric Company operates an electric distribution system in a large portion of the Salinas Valley in Monterey County and in 1917 constructed an extension of one of its lines from this system into the southern portion of San Benito County to supply service to the New Idria Quicksilver Mining Company. Since the construction of this line one additional consumer

has been secured in San Benito County. The line was constructed under the stress of war conditions for the purpose of serving an essential industry and, as sometimes happens under such circumstances, legal requirements were complied with after the actual construction work had been done. The records show that the securing of the authority of this Commission for the exercise of the franchise covering this line was overlooked.

Coast Valleys Gas and Electric Company has filed the usual stipulation showing the original cost of this franchise to have been \$100.00 and agreeing that it will never claim before this Commission or any other public body a value for the franchise in excess of this sum.

Coast Counties Gas and Electric Company operates an electric distribution system in the vicinity of Gilroy and Hollister in San Benito County. At the nearest point its lines are separated from those of the Coast Valleys Company by several miles of rough undeveloped territory, and its protest in the present application is entirely for the purpose of protecting future rights. At the hearing in this application the representatives of these two companies agreed upon the following stipulation which eliminates the necessity of further considering this protest.

"Mr. Commissioner, so far as this application is concerned, it is my understanding that the Coast Counties and Coast Valleys may stipulate as follows: The Coast Valleys Gas and Electric Company shall not, without further order of the Commission, invade any territory served by Coast Counties Gas and Electric Company, or which may be normally served by said Company; and the Coast Counties Gas and Electric Company shall not, without further order of the Commission, invade any territory served by Coast Valleys Gas and Electric Company, or which may be normally served by said Company."

Sierra and San Francisco Power Company is the owner of a high voltage electric transmission line traversing the northern part of San Benito County supplying energy to Coast Counties Gas

and Electric Company at wholesale and to one other large consumer. This line is even farther removed from the lines of Coast Valleys Gas and Electric Company in San Benito County than are the lines of the Coast Counties Gas and Electric Company above referred to. At the present time there appears to be but slight possibility of any conflict between Sierra and San Francisco Power Company or the lessee of its property Pacific Gas and Electric Company and Coast Valleys Gas and Electric Company over rights to supply service in the territory now under consideration. The granting of the present application will in no way affect the rights of Sierra and San Francisco Power Company should such conflict ever arise, and if any such question should come up it may be more satisfactorily settled from a consideration of the facts as they may develop.

I recommend the following form of order.

O R D E R

Coast Valleys Gas and Electric Company having applied to the Railroad Commission for a certificate that public convenience and necessity require the exercise by it of a franchise for the operation of an electric distribution system granted to it by Ordinance No. 103 of the Board of Supervisors of San Benito County dated April 7, 1919, and having stipulated in form satisfactory to the Commission, agreeing that it, its successors and assigns, will never claim before this Commission nor any other public body a value for said franchise in excess of \$100.00, the amount paid to the County of San Benito for said franchise,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY FINDS AS A FACT that public convenience and necessity require the exercise by Coast Valleys Gas and Electric Company of the rights and privileges of the above described franchise, provided

that the Railroad Commission may hereafter by appropriate proceedings and orders revoke or limit, as to territory not then served by Coast Valleys Gas and Electric Company, the authority herein granted.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 27<sup>th</sup> day of September, 1924.

Ch. Deane

Dwight Martin

J. T. Whitney  
Commissioners