

Decision No. 15564

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application
of COMMERCIAL LAND COMPANY, for
a certificate of public conven-
ience and necessity to operate a
gas distributing system and a
water distributing system at Tup-
man, Kern County, California.

Application No. 11724.

Thomas W. McManus & James Petrini,
for applicants.
F. C. Grace, in propria persona.
Thomas S. Laird, for certain consumers.
A. L. Cleaveland, for Midway Gas Company.

BY THE COMMISSION:

O P I N I O N

In the above entitled application the Commercial Land Company requests authority to operate a public utility for the purpose of supplying gas and water to consumers residing in and in the vicinity of Tupman, Kern County, California.

A public hearing in this matter was held in Bakersfield before Examiner Williams, after all interested parties had been duly notified and given an opportunity to be present and be heard.

The testimony and records of the Commission show that F. C. Grace now operates a public utility water system and gas distributing system, supplying water and gas to consumers in and in the vicinity of Tupman. A certificate of public convenience and necessity for such service has never been applied for nor obtained by him from this Commission, though rates, rules

and regulations under which he operates were accepted for filing by the Commission on July 24, 1924.

The testimony shows that Grace, through improper manipulation of Government funds, has been confined in the Government penitentiary at Leavenworth and is now out on parole. During the period of his confinement, the utility business was operated by J. W. O'Dell, whose authority was a bill of sale of the physical property from Grace for a consideration of \$3,000. On his admission to parole, Grace returned to Tupman July 16, 1925, repudiated this bill of sale and took possession of the property and resumed operations. At that time there was pending before this Commission an application for a certificate of public convenience and necessity (Application No. 11178) filed by O'Dell. This application was subsequently dismissed on O'Dell's request October 1, 1925.

The record is full and clear that neither Grace nor O'Dell have been able to supply adequate and efficient service in the past; that neither can be expected to do so in the future; that the pumps and mains have not been paid for by Grace; that many judgments are outstanding against him and several others have been executed, and consumers required to pay their water and gas bills to the Sheriff of Kern County to satisfy in part such judgments; that Grace owes approximately \$900. to the Midway Gas Company for gas used by the utility which amount, according to his own testimony, he cannot pay; that considerable money will have to be spent in the near future to place the water system in condition to give an adequate supply of water to the consumers, which money Grace is likewise unable to secure; that he has mortgaged his plant to other parties without the consent of the Railroad Commission and used the money so obtained largely for purposes other than utility business and that in addition to being unable to finance his utility business he is also wholly incapable of

maintaining satisfactory relations with the public.

Applicant in this proceeding owns the land upon which pumping plant and storage tank are located, as evidenced by his Exhibits Nos. 2, 3, 4 and 5, though this ownership is disputed by Grace. Applicant also owns many other lots in the townsite of Tupman and is vitally interested in its growth and development. It proposes to purchase the present gas and water system used and useful providing a reasonable price can be obtained or, if not, to install a separate system that will be capable of supplying adequate service to all consumers. Applicant is prepared to expend approximately \$3,500. toward a new and adequate system and consumers to the number of forty (40) prefer service from applicant.

Grace claims that the parties holding mortgages upon this utility will finance the necessary improvements but this statement cannot be considered as their only interest is in the mortgages they hold and they consequently cannot be relied upon to further the utility's interests beyond the extent of regaining the moneys they have loaned.

The recital of these facts goes to show that F. C. Grace is not and has not heretofore been financially able to operate a public utility supplying gas and water to the inhabitants of the townsite of Tupman and that applicant is a responsible corporation interested in the development of the townsite of Tupman and financially able to install and operate gas and water distribution systems that will adequately supply the needs of the people.

It appears therefore that public convenience and necessity require that the application be granted.

O R D E R

Commercial Land Company, having made application as

entitled above, a public hearing having been held thereon, the matter having been submitted and the Commission being now fully informed therein:

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA
HEREBY DECLARES that public convenience and necessity require and will require that Commercial Land Company operate a public utility for the purpose of supplying gas and water for domestic use to consumers located in and in the vicinity of Tupman, Kern County, California.

IT IS HEREBY ORDERED that Commercial Land Company be and it is hereby directed to file with this Commission on or before twenty (20) days from the date of this order, the following schedule of rates effective for all gas and water delivered to consumers subsequent to November 1, 1925.

Gas Rates.

Minimum monthly charge \$2.50
For all gas used per 1000 cubic feet per meter per month . . 1.00

Water Rates.

Flat Rate per Month.

For Domestic use dwellings where water is used for
garden irrigation from 3:30 P.M. to 6:30 P.M. only . . . \$3.00
Where water is used for gardens irrigation outside of
the hours specified above 6.00
Stores. 5.00
Gas & Oil Stations. 3.00
Apartment Houses per apartment. 2.25

IT IS HEREBY FURTHER ORDERED that Commercial Land Company be and is hereby directed to file with this Commission within thirty (30) days from the date of this order, rules and regulations to govern relations with its consumers, such rules and regulations to become effective upon acceptance by the Commission.

The authority above granted is conditioned upon the filing by applicant within thirty (30) days from the date of this Order a stipulation setting forth the cost of the franchises under which it is permitted to operate and agreeing that neither it nor its

successors and assigns will ever claim before the Railroad Commission of the State of California, or any court or other public body having jurisdiction, a value in excess of the amount actually paid therefor.

For all other purposes the effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 23d day of October, 1925.

H. D. Brundage
Chas. S. Sweeney
George D. Squires
Ernest W. Smith
Leon O. Whitell
Commissioners.