

ORIGINAL

Decision No. 19271.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

<p>In the matter of the application of BENBOW POWER COMPANY for permission to issue its stocks and bonds, and for a certificate of public convenience and necessity authorizing it to sell electric power and water to the public in and of Humboldt and Mendocino Counties.</p>)
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) Application No. 14388.

Burtis W. Benbow, for applicant.

BY THE COMMISSION:

O P I N I O N

Benbow Power Company, the applicant in this proceeding, has petitioned the Railroad Commission for a certificate of public convenience and necessity, authorizing it to operate as a public utility for the purpose of generating, distributing and selling electric power in certain parts of Humboldt and Mendocino Counties and distributing and selling water in a portion of Humboldt County.

Public hearing before Examiner Satterwhite was held March 15, 1928, in the town of Garberville, at which time testimony was introduced and the matter submitted for decision.

The principal operative properties of Benbow Power Company are to be located at Benbow, Humboldt County, the site of Hotel Benbow, which is approximately three miles south of the town of Garberville on the "Redwood Highway" at the junction

of the east branch of the south fork of the Eel River with the south fork of the Eel River. Applicant plans to immediately install a 140 H.P. Diesel Plant to serve prospective consumers until such time as it can construct a dam and a hydro-electric plant approximately one-half mile westerly from Benbow on the south fork of the Eel River.

The area that applicant proposes to serve with electric energy is in both Humboldt and Mendocino counties and includes Townships 4 and 5 south, Range 3 east and Townships 4 and 5 south, Range 4 east, all H.B. and M., as designated by map marked Exhibit "A" and made a part of the application. The prospective consumers in this territory reside in the towns of Redway, Garberville and Benbow, and in several resorts located along the "Redwood Highway." It appears that there are about fifty consumers who desire annual electric service and that approximately one hundred other consumers will want seasonal service.

Applicant plans to serve water only to consumers within the confines of the property of Benbow Company, a non-utility corporation, operating Hotel Benbow and subdividing portions of its property into lots, primarily for summer homes. Except for the State Highway, the streets or roads within the area to be served by the water distributing system have not been dedicated to the public use and no franchise or other permit from the county authorities is necessary for the purposes of this proceeding. Water is now supplied to Hotel Benbow from springs and Fish Creek, a tributary to the south fork of the Eel River, all on the property of the Benbow Company, and applicant proposes to install a 250,000 gallon concrete reservoir

on a side hill at an elevation from which it will be possible to serve all homes in the subdivisions as well as the hotel for its various uses.

The evidence shows that no other electric utility is serving the area in question, the nearest electric utility being in the town of Weott, some thirty miles away. No one appeared in opposition to the application and the testimony makes clear that there is, and has been for sometime in the past, a need for electric service in this area. Applicant was unable at this time to state what the cost of the water and electric projects would be as surveys were still under way and final plans incomplete. It appears, however, from such information as is available, that the cost will not greatly exceed One hundred thousand (100,000.) dollars.

While the title of this application indicates that applicant is asking permission to issue stock and bonds, the fact is that applicant made no such request. The testimony shows that applicant is able to finance the cost of the necessary construction work without the issue of stock or bonds at this time. While the order herein will grant to applicant the desired certificates, it should be distinctly understood that the granting of such certificates imposes no obligation on the Commission to permit applicant to capitalize through the issue of stock and bonds the monies it may expend to render the public utility service mentioned herein. If applicant hereafter files an application for permission to issue stocks and bonds, we will then investigate the reasonableness of applicant's

construction expenditures and permit the capitalization of such an amount as we deem proper.

The Board of Supervisors of Humboldt County, on the 14th day of May, 1928, granted to applicant a franchise (Ordinance No. 159), to construct, maintain and operate electric facilities in Humboldt County and, similarly, the Board of Supervisors of Mendocino County, on the 15th day of May, 1928, granted applicant a franchise (Ordinance No. 225), to construct, maintain and operate electric facilities in the County of Mendocino. These franchises, together with a stipulation that applicant, its successors or assigns, would never claim before the Railroad Commission or any court or public body any value for said aforesaid franchises in excess of the actual cost thereof, have been filed with the Commission.

We have carefully considered the evidence in this proceeding and are of the opinion that this application should be granted.

O R D E R

A public hearing having been held in the above entitled application, evidence having been submitted, and the Commission being fully advised,

The Railroad Commission of the State of California hereby certifies and declares that public convenience and necessity require and will require that Benbow Power Company operate a water system for the purpose of supplying water for domestic and other purposes within the confines of the property of Benbow Company, and that public convenience and necessity require and will require the exercise by Benbow Power Company

of the rights and privileges of franchises granted by Ordinance No. 159 of the Board of Supervisors of Humboldt County and Ordinance No. 225 of the Board of Supervisors of Mendocino County for the purpose of operating an electric system in those areas in Humboldt and Mendocino counties described in the application.

The authority herein granted shall become effective on the date hereof.

Dated at San Francisco, California, this 11th day of June, 1928.

Leon White
W. J. Lewis
Wm. W. Lewis
Thos. L. Lewis
W. J. Lewis
Commissioners.