

City of Lompoc;

4. That public convenience and necessity require and will require the exercise of the rights and privileges under a franchise from the County of Santa Barbara, when and if granted;

5. That a certificate of public convenience and necessity will be issued upon the awarding of the aforesaid franchise by the County of Santa Barbara;

6. Approving a contract for the sale of gas by Santa Maria Gas Company to The Celite Company.

In Application No. 15007 Southern Counties Gas Company of California asks the Commission to make its order;-

1. That public convenience and necessity require the construction of a gas transmission line between the western terminus of its transmission system in Santa Barbara County and Gaviota.

2. That public convenience and necessity require and will require the exercise of such permits and privileges as it may receive from the State Highway Commission for the construction of said line upon the state highway.

The applications show that the Santa Maria Gas Company and Southern Counties Gas Company of California have entered into an agreement looking toward the interconnection of the two systems through the construction by the two companies of a gas transmission line extending from the City of Santa Barbara to the present system of Santa Maria Gas Company in the Santa Maria oil fields near Orcutt. The two applications, accordingly, were consolidated for hearing and decision. No protest has been filed with the Commission in these matters.

It is reported that Southern Counties Gas Company of California heretofore has contracted for large supplies of natural gas in the so-called Ventura Avenue gas field situated in Ventura County,

While the line to be constructed by Santa Maria Gas Company also will be laid in general along private rights of way, it will pass in various places over county roads and consequently that company has made application for a county franchise from the Board of Supervisors of Santa Barbara County.

The record shows that the construction of the proposed line will enable Santa Maria Gas Company to reach additional territory not now served with gas. In this connection it reports that it intends to construct, at an estimated cost of \$30,000.00, a branch line from the proposed new line to the Town of Lompoc, where it believes that about 300 domestic consumers can be secured and also a large industrial load.

In Exhibit "6" it is estimated that a probable additional load will result for Santa Maria Gas Company from the proposed installation referred to in these applications, which will yield a gross annual revenue of \$187,050.00, and, in addition, a possible load yielding the further sum of \$68,776.00. The Celite Company, located near Lompoc, for example, has entered into an agreement dated August 18, 1928, and running for four years, with Santa Maria Gas Company, to purchase such gas as it might need for fuel purposes at the rate of twenty cents per 1000 cubic feet of gas. It is estimated that the source of revenue will yield the gas company the sum of \$90,000. a year. A copy of the agreement is filed as Exhibit "9".

The rate proposed in said agreement and the other terms and conditions, seem reasonable. On this point, however, it is pointed out that the contract at all times is subject to such changes or modifications by the Railroad Commission as it may from time to time direct in the exercise of its jurisdiction. As to the other new consumers, the record shows that the company intends to apply its schedule three to those in and about Lompoc and its schedule one to those in and about Orcutt.

We have given consideration to these matters and are of the opinion that it is in the public interest that these applications be granted, as provided in the order following this opinion.

ORDER

Application having been made to the Railroad Commission as indicated in the foregoing opinion, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the matters should be granted, as herein provided,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY DECLARES that public convenience and necessity require the construction by Southern Counties Gas Company of California of the transmission line referred to in the foregoing opinion between the City of Santa Barbara and Caviota, and by Santa Maria Gas Company of the transmission line between Caviota and its present system in the Santa Maria oil fields, and a branch line to Lompoc, as shown on Exhibit "2" filed in these applications.

THE RAILROAD COMMISSION HEREBY FURTHER DECLARES that hereafter, upon the filing of a certified copy of an ordinance of the County of Santa Barbara and an ordinance of the City of Lompoc granting franchises to Santa Maria Gas Company, and also upon the filing of stipulations in which the Santa Maria Gas Company agrees that it, its successors and assigns will never claim a value for said franchises in excess of the amounts actually paid to the County of Santa Barbara and the City of Lompoc, the Railroad Commission will declare that public convenience and necessity require and will require the exercise by Santa Maria Gas Company of the rights and privileges granted to it by said franchises, subject to such terms and conditions as the Commission may prescribe.

THE RAILROAD COMMISSION HEREBY FURTHER DECLARES that hereafter upon the filing of a certified copy of a permit, or permits, granted to Southern Counties Gas Company of California by the California Highway Commission, it will declare that public convenience and necessity require and will require the exercise by Southern Counties Gas Company of California of the rights and privileges granted by such permits.

IT IS HEREBY ORDERED that the contract entered into on August 13, 1928 by and between Santa Maria Gas Company and the Celite Company (Exhibit 9) be, and the same is hereby approved.

IT IS HEREBY FURTHER ORDERED that the effective date of this order shall be ten days from the date hereof.

DATED at San Francisco, California, this 9th day of October, 1928.

Leon White
Chairman

Thomas Powell

W. J. Carr
Commissioners.