

LBM

Decision No. 21538

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
CONSUMERS GAS COMPANY)	
(a corporation) for authority to issue)	
Ninety(90) shares of the common capital)	
stock of applicant company to discharge)	
obligations for money expended and)	Application No. 15825
services actually performed for and)	
on behalf of applicant.)	

Edward Schary, for applicant.

BY THE COMMISSION:

ORDER

ORIGINAL

Consumers Gas Company asks permission to issue \$9,000.00 par value of its common capital stock to pay the following obligations;-

TO EDWARD SCHARY:

Legal services rendered in connection with the organization of applicant company; legal services in connection with Application No. 15135; and legal services in connection with Application No. 15332; including travel expenses to Paso Robles and return(3 trips) to attend hearings held by this Commission....\$2,500.

Cost of municipal franchise;travel expenses and legal fees in connection with same.... 500.
 Total obligation to Edward Schary \$3,000.

TO F. EMERSON HOAR:

Engineering data,preliminary report,survey; drawings,maps,charts,plans and specifications in connection with applications numbers 15135 and 15332 respectively..... 5,000.

Engineering services in connection with applications numbers 15135 and 15332..... 1,000.
 Total obligation to F.E.Hoar... \$6,000.

TOTAL COMBINED OBLIGATIONS...\$9,000.

In Applications No. 15135 and 15332 the Consumers Gas Company asked for a certificate of public convenience and necessity to furnish gas to the City of Paso Robles, San Luis Obispo County, and to issue stock and bonds. The two applications were denied by the Commission without prejudice (Decision No. 20625 dated December 28, 1928 in Application No. 15135; Decision No. 21006 dated April 24, 1929 in Application No. 15332). By Decision No. 21006 the Commission granted to the Santa Maria Gas Company a certificate of public convenience and necessity to construct and operate a gas transmission and distribution system to serve the City of Paso Robles.

It appears to us that the expenses which the Consumers Gas Company may have incurred in connection with Applications No. 15135 and 15332 are not of such a nature that they may be included in a rate base or that they may be charged to fixed capital accounts. In view of this situation we question whether under Section 52 of the Public Utilities Act, the Commission has any authority to authorize the issue of \$9,000.00 of stock. We believe that this application should be denied, therefore,

IT IS HEREBY ORDERED that this application be, and the same is hereby, denied.

IT IS HEREBY FURTHER ORDERED that this order shall become effective ten days after the date hereof.

DATED at San Francisco, California, this 2nd day of October, 1929.

Thomas L. Lottis

C. Seamy

Leon A. Whelan