

ORIGINAL

Decision No. 21697.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the application of
 THE COAST COUNTIES GAS & ELECTRIC
 COMPANY, a corporation, for an order
 of the Railroad Commission of the
 State of California, granting to
 applicant a certificate of public
 convenience and necessity to exercise
 the right, privilege and franchise
 granted to applicant by Ordinance
 No. 5 of the Board of Supervisors of
 the County of Santa Clara, State of
 California.

Application No. 15799.

W. T. Williamson, Wallace and Vaughn, by
 Reginald L. Vaughn, for applicant.

C. P. Cutten and R. W. Du Val, by R. W. Du
 Val, for Pacific Gas and Electric
 Company.

BY THE COMMISSION:

O P I N I O N

In this application Coast Counties Gas and Electric Company asks the Commission to make its decision and order granting and issuing to applicant a certificate declaring that public convenience and necessity require and will require the exercise by it of franchise rights granted under Ordinance No. 5 of the County of Santa Clara, and for such further certificate or certificates as may seem proper.

A public hearing was held before Examiner Satterwhite at San Francisco, September 23rd, 1929. At that time the application was so amended that the Commission's certificate might include the right to exercise, within that portion of Santa Clara County lying within applicant's electric service area, such other

franchise rights as might hereafter be granted to applicant.

It appears from the evidence that applicant renders a manufactured gas service in the City of Gilroy, in Santa Clara County, and in other cities and towns in adjoining counties. Applicant now proposes to substitute the service of straight natural gas in its Southern Division. Pending the construction and operation of applicant's own transmission line from Kettleman Hills gas field, it is proposed that the natural gas supply for this area be secured from the main transmission line of Pacific Gas and Electric Company passing through this territory.

It is, accordingly, planned to construct a pipe line from a point of connection with Pacific Gas and Electric Company's line, in San Benito County, to Gilroy and thence north to Morgan Hill, such line to supply Gilroy and Morgan Hill as well as intervening and adjacent territory. It is in connection with these plans that applicant seeks to exercise within its electric service area franchise rights granted by the County of Santa Clara and, presumably, to be granted by the Town of Morgan Hill. Applicant defines its electric service area in Santa Clara County as that territory south of an imaginary line running in an easterly and westerly direction and passing just north of the Town of Coyote.

The service of straight natural gas to consumers now receiving manufactured gas service, as well as to individuals or concerns not now receiving such service, is, when feasible, clearly in the public interest.

A copy of the franchise granted by the County of Santa Clara is attached to and made a part of the application. Applicant

has filed with this Commission a stipulation to the effect that it will never claim any value for said franchise in excess of the actual cost thereof, which cost is stated to be \$870.00.

O R D E R

Coast Counties Gas and Electric Company having asked this Commission for a certificate declaring that public convenience and necessity require and will require the exercise by it of franchise rights granted or to be granted to it, a public hearing having been held, the matter being submitted and now ready for decision;

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and the same is hereby granted to Coast Counties Gas and Electric Company to construct and operate the natural gas transmission and distribution systems referred to in the opinion above and for the exercise within its electric service area as above defined of franchise rights granted to it under Ordinance No. 5 of the County of Santa Clara, subject to the following conditions:

(1) That this Commission may hereafter by appropriate proceedings and orders revoke or limit, as to territory not then served by Coast Counties Gas & Electric Company, the authority herein granted.

(2) That all of the natural gas transported or distributed in applicant's Southern Division shall be disposed of, allocated and distributed in accordance with the orders of this Commission.

(3) That lines shall not be constructed or operated

in Morgan Hill unless and until Coast Counties Gas and Electric Company shall file with this Commission satisfactory evidence that it has secured a franchise from the proper local authorities.

(4) Upon the filing of evidence referred to in paragraph (3) above, together with a satisfactory stipulation that applicant will never claim a value for said franchises in excess of the actual cost thereof, this Commission will issue its supplemental order authorizing the exercise of rights granted by such franchise.

The authority herein granted, except as otherwise provided, shall be effective from and after the date of this order.

Dated at San Francisco, California, this 21st day of October, 1929.

Wm. S. Loring

C. S. Seaver

Wm. S. Loring

Leon A. Whiteley

Wm. S. Loring

Commissioners.