

Decision No. 22583.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application
of The Coast Counties Gas and
Electric Company, a corporation,
for an order of the Railroad Commis-
sion 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. 119 of the Board of
Supervisors of the County of San
Benito, State of California.

Application No. 15,775.

R. L. Vaughan, for Applicant.

C. P. Cuten, for Pacific Gas and
Electric Company.

WHITSELL, COMMISSIONER:

OPINION

In this application Coast Counties Gas and Electric Company asks that the Railroad Commission of the State of California make its order and decision declaring that public convenience and necessity require and will require the exercise by applicant of the rights, privilege and franchise granted to it by Ordinance No. 119 by the Board of Supervisors of the County of San Benito, State of California.

Applicant states in the application that, under and pursuant to the rights granted under such franchise, it proposes to construct an extension or extensions from the so-called

"coast" natural gas transmission line installed by Pacific Gas and Electric Company (C.R.C. Decision No. 21311) to serve applicant's present and future gas consumers in the Town of Hollister and vicinity and in the Town of San Juan, both in San Benito County, and "all consumers, domestic or industrial, that are now within their present electric service area, provided the extensions to said consumers are justified."

Applicant further "alleges that the certificate of public convenience and necessity herein prayed for is not for the purpose of engaging in the public utility business in competition with another public utility."

Public hearings were held on this application on August 7, 1929, November 27, 1929, and January 28, 1930.

At the hearing held at Santa Cruz, California, on August 7, 1929, no protestants appeared, the evidence was introduced and the application was submitted.

Subsequent to this hearing, on October 18, 1929, Pacific Gas and Electric Company filed with this Commission a petition for an order setting aside the submission of this application on the grounds that Coast Counties Gas and Electric Company had at such hearing amended its application so as to ask for a certificate unlimited as to territory in San Benito County and that petitioner objected to certain testimony of applicant's witnesses relative to an understanding between applicant and officials of Pacific Gas and Electric Company consuming the territory in San Benito County to be served with natural gas by applicant and petitioner.

On October 24, 1929, in response to the above mentioned petition, applicant filed its answer, stipulating therein that

the amendments and testimony objected to by petitioner might be stricken from the record and that - "We had not intended to make any request in this connection for any relief other than that covered by the prayer of our application and to correct any misapprehension we, therefore, hereby stipulate that any request for relief be withdrawn, other than the prayer of our original application, and hereby elect to stand upon our original application, as filed."

This Commission, by its order dated October 29, 1930, set aside the submission of this application and set it for further hearing.

At the hearing on this application held at San Francisco on January 28, 1930, Pacific Gas and Electric Company withdrew its objection to the submission of the application and the matter was again submitted for decision.

Testimony presented at the hearings set forth the fact that applicant is now, and for some years last past has been, serving manufactured gas to some 837 consumers in and around the Town of Hollister, San Benito County; that applicant is now, and for some years last past has been, serving electricity to some 2,856 consumers in the Town of Hollister and vicinity, the Town of San Juan and vicinity, the Town of Tres Pinos and vicinity and in other smaller neighboring communities; that applicant has made surveys of the consumers and residents in this service area in San Benito County and finds that such residents desire the service of natural gas; that such surveys show that the service of natural gas to this service area is feasible and practicable and same may be accomplished by means of the installation of a transmission system connecting with the Pacific

Gas and Electric Company's transmission line at or near San Juan and at or near Hollister; that such transmission system would also connect with applicant's existing Santa Cruz-Watsonville line; that the supply of natural gas for this system would be purchased from the Pacific Gas and Electric Company; that applicant is financially able to finance, from surplus, all construction necessary for this project, the cost of which would amount to about \$250,000.00; that the granting of this application would be in the interest of public convenience and necessity and would not interfere with the gas service now being rendered by any other public utility or utilities.

Applicant has filed with this Commission a certified copy of the franchise in question and a stipulation duly executed on authority of its Board of Directors, agreeing that applicant will never urge before this Commission or other public body a value for such franchise in excess of \$208.00, the actual cost thereof.

I recommend the following form of order:

O R D E R

Coast Counties Gas and Electric Company having applied to the Railroad Commission of the State of California for an order and decision declaring that public convenience and necessity require and will require the exercise by applicant of the rights, privilege and franchise granted to it by Ordinance No. 119 by the Board of Supervisors of the County of San Benito, State of California, public hearings having been held, the matter being submitted and now ready for decision,

The Railroad Commission of the State of California

hereby orders and declares that public convenience and necessity require and will require the exercise by Coast Counties Gas and Electric Company of the rights, privilege and franchise granted to it by Ordinance No. 119 by the Board of Supervisors of the County of San Benito, State of California, in so far as the exercise of such franchise is necessary in the construction of the natural gas transmission system described in the above opinion, to serve consumers now within applicant's present electric service area, provided that the Railroad Commission may hereafter, by appropriate proceedings and orders, revoke or limit, as to territory not then served by Coast Counties Gas and Electric Company, the authority herein granted.

The effective date of this order shall be twenty (20) days from and after the date hereof.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 23rd day of June, 1930.

W. C. Cunniff
Leon A. Smith
W. H. Cunniff
 Commissioners.