

Decision No. 22805.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of
 NATURAL GAS CORPORATION OF CALIFORNIA,
 a corporation, for a Certificate of Pub-
 lic Convenience and Necessity authorizing
 it to exercise rights and privileges un-
 der franchises which it contemplates se-
 curing from the cities and towns and
 counties herein named, and also author-
 izing it to construct plants and systems
 in such cities, towns and counties for
 the purpose of serving gas to the public
 for light, heat, power and other purposes
 for which gas is now or may hereafter be
 used.

ORIGINAL

Application No. 16116.
Original and Amended.

W. F. Williamson, Wallace and Vaughan, by
 R. L. Vaughan, for Applicant.
 Charles Grunsky, for Applicant.
 C. R. Hayden, for Applicant.
 C. P. Cutten, for Pacific Gas and Electric
 Company.
 L. T. Rice, for Southern California Gas Com-
 pany.
 H. L. Wood, for the Indio Chamber of Commerce.
 E. G. Hawkins, City Clerk, City of Dunsmuir.
 C. Edmonds, for the Truckee Public Utility
 District.
 Joseph Maddux, City Clerk, for the City of
 Fort Bragg.
 G. Fletcher Dodd, City Attorney, for Crescent
 City.
 Jess W. Carter, for the City of Mt. Shasta,
 Interested Party.
 W. M. Yerrington, Interested Party.
 C. A. Cunningham, Interested Party.
 I. E. Sefton, Interested Party.

WELTSELL, COMMISSIONER:

SECOND SUPPLEMENTAL OPINION AND ORDER

Further public hearings on this application have been
 held as follows:

<u>Communities Effectuated</u>	<u>Date of Hearing</u>	<u>Location of Hearing</u>
Blythe,	April 17, 1930	at Blythe, California.
Coachella,	April 17, 1930	at Indio, California.
Indio,	April 17, 1930	at Indio, California.
Mt. Shasta City,	May 9, 1930	at Mt. Shasta City, California.
Dunsmuir,	May 9, 1930	at Dunsmuir, California.
Yreka,	June 5, 1930	at Yreka, California.
Clovis,	June 11, 1930	at Clovis, California.
Pinedale,	June 11, 1930	at Clovis, California.
Ione,	June 19, 1930	at Ione, California.
Folsom,	June 19, 1930	at Folsom, California.
Truckee,	June 20, 1930	at Truckee, California.
Colfax,	June 20, 1930	at Colfax, California.
Fort Bragg,	August 6, 1930	at Fort Bragg, California.
Willits,	August 6, 1930	at Willits, California.
Arcata,	August 7, 1930	at Arcata, California.
Fortuna,	August 7, 1930	at Fortuna, California.
Ferndale,	August 7, 1930	at Fortuna, California.
Crescent City,	August 8, 1930	at Crescent City, California.

Testimony and evidence introduced at these hearings indicate that applicant desires to distribute through gas mains, services, regulators and meters, to consumers' premises, a mixed gas consisting essentially of butane, propane and air in such proportions as to result in a non-explosive mixture of a uniform heating value of five hundred fifty (550) British thermal units per cubic foot; that all adequate and necessary features would be incorporated in the design of the mixing apparatus, to insure the uniformity of such mixture; that a central mixing plant with adequate storage facilities for both the liquid gas and the vaporized mixture would be located in each community or group of communities, from which the mixed gas would be distributed at adequate pressure by means of standard underground distribution systems of mains, services, regulators and meters; that the mixing, distribution and utilization for general purposes of this same product has been and is being successfully accomplished in a number of communities in the East; that the estimated cost to appli-

cant of the liquefied gas would be six cents (6¢) per gallon at the source plus the freight cost from the source to the location of mixture; that estimates of the cost of operation in rendering this service indicate that the total operating costs during the third year of operation in each of the above mentioned communities, including an annual return of eight per cent (8%) upon the estimated rate base, would necessitate an average selling rate of approximately two dollars (\$2.00) per thousand cubic feet of five hundred fifty (550) B.t.u. mixed gas.

Witnesses for applicant testified that the operation by applicant of plants in the thirty-five (35) communities involved, under one management, would substantially reduce the overhead and incident operating expenses of the service and that the rate proposed by applicant compares favorably with the rates charged for oil gas service in the smaller communities of California, wherein oil gas service is being rendered.

It appears from the testimony and evidence introduced at the above mentioned public hearings that public convenience and necessity require and will require the exercise by applicant of the rights and privileges under franchises which it contemplates securing from the communities of Blythe, Coachella, Indio, Mt. Shasta City, Dunsmuir, Yreka, Clovis, Pinedale, Ione, Folsom, Truckee, Colfax, Fort Bragg, Willits, Arcata, Fortuna, Ferndale and Crescent City, and the construction by applicant of mixing plants and distribution systems to serve said communities.

I recommend the following form of order:

O R D E R

Natural Gas Corporation of California having asked the Railroad Commission of the State of California for an order declaring that public convenience and necessity require, and

will require, the exercise by applicant of the rights and privileges under the franchises which it contemplates securing from the cities and towns of Blythe, Coachella and Indio, in the County of Riverside, Mt. Shasta City in the County of Shasta, Dunsmuir and Yreka in the County of Siskiyou, Clovis and Pinedale in the County of Fresno, Ione in the County of Amador, Folsom in the County of Sacramento, Truckee in the County of Nevada, Colfax in the County of Placer, Fort Bragg and Willits in the County of Mendocino, Arcata, Fortuna and Ferndale in the County of Humboldt and Crescent City in the County of Del Norte, and the construction by applicant of plants and systems in such communities, and its further order authorizing applicant to construct such plants and systems, public hearings having been held, the matter, in so far as these communities are concerned, having been 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 Natural Gas Corporation of California of the rights and privileges under the franchises which it contemplates securing from the cities and towns of Blythe, Coachella and Indio, in the County of Riverside, Mt. Shasta City in the County of Shasta, Dunsmuir and Yreka in the County of Siskiyou, Clovis and Pinedale in the County of Fresno, Ione in the County of Amador, Folsom in the County of Sacramento, Truckee in the County of Nevada, Colfax in the County of Placer, Fort Bragg and Willits in the County of Mendocino, Arcata, Fortuna and Ferndale in the County of Humboldt and Crescent City in the County of Del Norte, and the construction by applicant of plants and systems in such communities for the mixture, distribution and sale of a mixture of vaporized butane, propane and

air having a uniform heat content of five hundred fifty (550) British thermal units per cubic foot.

The Railroad Commission of the State of California hereby further orders and declares that Natural Gas Corporation of California be and the same is hereby authorized to construct such plants and systems in the communities last above named.

The above certification and authorization are subject to Conditions (1) and (4) of this Commission's Decisions No. 22564 and No. 22723 and to the following conditions and not otherwise:

- (1) That Natural Gas Corporation of California shall file with this Commission, on or before October 31, 1930, certified copies of the franchises necessary for the rendering of the proposed gas service in the communities hereinbefore named.
- (2) That Natural Gas Corporation of California shall file with this Commission, on or before October 31, 1930, a stipulation, duly executed upon authority of its Board of Directors, that applicant, its successors or assigns, will never claim before the Railroad Commission or any other body or court, a value for such franchises in excess of the actual cost thereof.
- (3) Upon the filing of the franchises and stipulation referred to in Conditions (1) and (2) above, this Commission will issue its supplemental decision authorizing the exercise by applicant of the rights and privileges granted to it under such franchises.

The effective date of this order, except as otherwise specifically provided, shall be from and after the date hereof.

For all other purposes, 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 23d day of August, 1930.

C. L. Stearns

Leon C. White
Wm. S. Lott

M. J. Linn

Commissioners.