

ORIGINAL

Decision No. 22915.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of SANTA MARIA GAS COMPANY, a corporation, for a certificate of public convenience and necessity to exercise franchise in San Luis Obispo County.

Application No. 16809.

LeRoy M. Edwards, for Applicant.

SEAVEY, COMMISSIONER:

O P I N I O N

In this application Santa Maria Gas Company, a California corporation, 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 and privileges under franchise granted to R. E. Easton by the Board of Supervisors of San Luis Obispo County on August 9, 1911, a true copy of which was filed in its Application No. 15330 before this Commission, and of the construction and operation by applicant of plant and systems for the manufacture and distribution of hydro-carbon gas in the community of Morro Bay and other communities in San Luis Obispo County.

The application sets forth that there is no other public utility selling or distributing gas of any character within the County of San Luis Obispo; that the Board of Supervisors of the County of San Luis Obispo did, on August 9, 1911, grant to R. E. Easton a franchise for a term of fifty (50) years to construct,

maintain and operate gas pipe lines in said County; that said franchise and all of the right granted thereunder were, on December 6, 1912, sold, assigned and transferred by the said R. E. Easton to the Santa Maria Gas and Power Company, a corporation, the predecessor in interest of the applicant and that said franchise is now owned and held by applicant; that said rights have been continuously exercised since December 18, 1911, by applicant and its predecessor, Santa Maria Gas and Power Company; that applicant is now distributing natural gas in various communities, both incorporated and unincorporated, in the County of San Luis Obispo; that the community of Morro Bay, situated twelve miles northwest of the City of San Luis Obispo, is without gas service of any character at the present time; that said community cannot be profitably served by applicant through the extension of its existing natural gas system but that it can be successfully served by applicant by a gas substitute, essentially of butane or some similar hydro-carbon gas; that applicant proposes to serve said community with hydro-carbon gas produced either from butane or a mixture of butane and propane; that said gas service will be advantageous and economical to applicant's consumers in said community; and, that public convenience and necessity will be served by such service.

A hearing on this application was held at San Francisco, California, on September 11, 1930, at which time and place testimony and evidence was introduced setting forth the fact that the applicant, unaware of the necessity of a certificate for the exercise of the aforementioned franchise to cover this service, had constructed such a plant at Morro Bay and that for the past thirty (30) days said

plant has been in operation in rendering service to approximately thirty (30) consumers; that the gas served is a mixture of butane and propane having a uniform heating value of 2800 B.t.u. per cubic foot; that the design of the plant insures a uniform mixture of gas, constant pressure and incorporates safety features and adequate storage facilities of liquid and vaporized gas for continuous operation; that distribution is accomplished by means of a standard underground distribution system of mains and services; that an adequate supply of liquid gas is available for consumption and standby purposes and is obtained from the Santa Maria oil fields, over a distance of some fifty miles; that all matters pertaining to this service will be handled from the City of San Luis Obispo and that applicant will maintain a representative in Morro Bay; that the expenditures already made in connection with this project amount to approximately \$10,000.00; and, that the consummation of this project and the rendering of this service to consumers at reasonable rates will be in the interest of public convenience and necessity.

I recommend the following form of Order:

O R D E R

Santa Maria Gas Company having requested 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 and privileges under franchise granted to R. E. Easton by the Board of Supervisors of the County of San Luis Obispo, under date of August 9, 1911, and the construction by applicant of a plant and system for the manufacture and distribution of hydro-carbon gas having a uniform heating value of approximately 2800 B.t.u. per cubic foot in the community of Morro

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Bay, public hearing 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 Santa Maria Gas Company of the rights and privileges under the franchise granted to R. E. Easton by the Board of Supervisors of the County of San Luis Obispo, under date of August 9, 1911, in so far as the exercise of such franchise is necessary to the specific project outlined in the above opinion, and the construction by applicant of a plant and system for the manufacture and distribution of hydrocarbon gas in the community of Morro Bay, San Luis Obispo County.

The above certification and authorization are subject to the following conditions and not otherwise:

(1) That Santa Maria Gas Company shall file with this Commission, on or before November 15, 1930, a stipulation, duly executed upon authority of its Board of Directors, agreeing that applicant, its successors or assigns, will never claim before the Railroad Commission or any other body or court, a value for the franchise granted to R. E. Easton by the Board of Supervisors of the County of San Luis Obispo, under date of August 9, 1911, in excess of the actual cost thereof.

(2) That Santa Maria Gas Company shall file with this Commission, on or before November 15, 1930, copies of all contract agreements under which applicant is now receiving or will receive the liquid gas which it proposes to use in this service.

(3) That Santa Maria Gas Company shall file with this Commission, on or before November 15, 1930, a stipulation, duly executed upon authority of its Board of Directors, agreeing that if and when at any time this Commission desires to investigate any of the costs or revenues incident to this service, including the cost of liquid gas, applicant will prepare and present to the Commission, at the latter's request, all of the details that make up such costs or revenues, including a breakdown of the production costs which make up the contract prices for the purchase of such liquid gas.

(4) That Santa Maria Gas Company shall file with this Commission and apply to all billing for gas in the

community covered by this order, the following initial rate for domestic, commercial and general gas service:

SERVICE CHARGE per meter per month..... \$1.50

COMMODITY CHARGE (to be added to service charge)

First	100	pounds	per	consumer	per	month...	4¢	per	pound	
Next	400	"	"	"	"	"	...	3¢	per	pound
All Over	500	"	"	"	"	"	...	2¢	per	pound

MINIMUM CHARGE:

The service charge set forth above constitutes the minimum charge.

SPECIAL CONDITIONS:

(1) In the application of this schedule, gas delivered to the various premises of a consumer cannot be aggregated.

(2) In cases of seasonal service to summer cabins, the minimum service charge will be \$7.50 per meter per season, payable in advance at the beginning of the summer season.

(5) Upon the filing of the stipulations and contract agreements above referred to in Conditions (1), (2) and (3), this Commission will issue its supplemental decision authorizing the exercise by applicant of the rights and privileges granted to it under the franchise in question.

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 27th day of September, 1930.

[Signature]
[Signature]
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Commissioners.