

ORIGINAL

Decision No. 23566.

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, under Section 50 of the Public Utilities Act, for authority to extend its facilities and exercise franchises.

Application No. 17246.

R. E. Easton, for Santa Maria Gas Company.

BY THE COMMISSION:

O P I N I O N

In the above application Santa Maria Gas Company, a 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 granted in a fifty-year franchise under Ordinance No. 432, passed by the Board of Supervisors of Santa Barbara County October 1, 1928, to become effective November 1, 1928, and the construction and operation by applicant of a hydrocarbon gas plant and distribution system to supply gas to the community of Buellton, Santa Barbara County.

A hearing of this application was held at Buellton

on March 31, 1931, before Examiner Kennedy, at which time testimony and evidence were introduced and the matter submitted.

It appears from the evidence presented that Santa Maria Gas Company is the only public utility supplying natural gas in the vicinity of Buellton but at present it would not be economically feasible to extend its transmission system to supply this community as the nearest point would be Las Cruces, a distance of approximately ten miles. Testimony indicates a four inch main would cost approximately \$6,000. per mile. A transmission line to bring natural gas to Buellton would cost approximately \$60,000., an investment prohibited by the small amount of revenue to be derived from consumers in such community.

Santa Maria Gas Company wishes to serve consumers in Buellton with commercial butane gas and introduced testimony and evidence showing the estimated cost of such a plant to be approximately \$3,372. the first year and \$3,497. the second year, these estimates including a distribution system. Applicant estimates nine consumers will be acquired the first year, with a loss of \$107.99 from operations and the acquisition of five additional consumers the second year with a resulting profit of \$40.06 the second year, the property to be able to pay a reasonable return on the necessary investment by the third year.

The following rates now in effect at Morro Bay and Solvang were proposed by applicant as suitable initial rates to

apply to service in Buellton:

Rate:

Service Charge:

\$1.50 per consumer per month.

Plus Commodity Charge:

First 100 pounds per meter per month,	4¢ per pound
Next 400 " " " " "	3¢ " "
All Over 500 " " " " "	2½¢ " "

From the testimony and evidence presented, it is apparent that the gas service offered by applicant is and will be of convenience and necessity to the public here under consideration.

To obviate future conflict with other utilities, applicant stipulated that the area for which its present application seeks authorization of this Commission to serve is that area extending two miles in all directions from the intersection of the State Highway and County Road leading from Solvang to Lompoc with the community of Buellton.

O R D E R

Santa Maria Gas Company having asked 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 by Ordinance No. 432, passed by the Board of Supervisors of Santa Barbara County, effective October 1, 1928, and the construction by applicant of a plant and system for the distribution of hydrocarbon gas having a uniform heating value of approximately 2,800 B.t.u. per cubic foot in the community of

Buellton; 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 franchise granted by Ordinance No. 432, passed by the Board of Supervisors of Santa Barbara County, effective October 1, 1928, in so far as the exercise of such franchise is necessary to the specific project outlined in the above opinion and for the construction by applicant of a plant and system for the distribution of hydrocarbon gas in the community of Buellton, Santa Barbara 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 the following initial rate for domestic, commercial and general gas service applicable to all billing for gas service in the community covered by this order:

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¢	"
All Over 500	"	"	2½¢	"

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) That the Railroad Commission may hereafter, by appropriate proceedings and orders, revoke or limit, as to territory not then served by Santa Maria Gas Company, the authority herein granted.

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

Dated at San Francisco, California, this 6th day of April, 1931.

W. J. Sawyer  
Leon O. Whittell  
W. J. Carr  
M. B. Harris  
Fred G. Stewart  
 Commissioners.