

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the matter of the application of Jas. A. Gunn, Jr., for a certificate that public convenience and necessity require or will require the exercise of the right and privilege heretofore granted, a copy of which and the application therefor is hereto affixed and made a part of this application.

Application No. 162.

Jas. A. Gunn, Jr., in person, for applicant.
E. V. Keeling, representing Mt. Konocti Light & Power Company, for Protestant.

LOVELL, Commissioner.

O P I N I O N.

In this application, Jas. A. Gunn, Jr., of Kelseyville, Lake County, California, asked for a certificate under Section 50 (a) of the Public Utilities Act, that present or future public convenience and necessity will require the exercise of the right and privilege expressed in a franchise granted to said applicant by the Board of Supervisors of Lake County, California, to furnish electricity to the people of Lake County, California, for heat, light and power.

The testimony shows that applicant intends to develop electricity by water power and that on February 7, 1911, he filed a claim for the waters of Kelsey Creek, Lake County, California, for that purpose, that he applied for and received a franchise from the Board of Supervisors of Lake County, California, which franchise was sold to him on October 5d, 1911, and the Ordinance approving same was passed by the Board of Supervisors of Lake County, California, October 5th, 1911. He testifies that within sixty (60) days from the date of filing on the waters of Kelsey Creek he began work, such work consisting of building two ditches, of which one is two and one quarter miles long, and the other, one and one quarter miles long; that he erected poles for a distance of one mile and that he found difficulty in securing money to prosecute the building of his line owing to

the fact that the Mt. Konocti Light & Power Company was building into Lake County, California. He claims that he now has wire and material enough on hand to complete the line to supply the Town of Kelseyville, where his poles are already erected. By means of a small Automobile Gas Engine, he is now developing electricity to light his store in Kelseyville, and he testifies that his brother has a fifty horse power Marine Engine and that if his application were granted he will immediately complete his line in Kelseyville and install said fifty horse power Marine Engine, by which to develop electricity to serve the people of Kelseyville while his hydro-electric plant is being completed. He testifies that he has purchased a hydro-electric plant for \$1500.00 from the Cloverdale Light & Power Company, that the value of his plant is from \$8000.00 to \$10,000.00, and that it is of sufficient capacity to serve the people of Lake County, California, with electricity for heat, light and power. He gives his financial condition as follows:

FINANCIAL STATEMENT.

ASSETS

120 acres of land in section 25, township 15, N. R. 9, W. M. D. M., Lake County, California,-----	2000.00
Equity in store building and lot in town of Kelseyville	3000.00
Stock of General Merchandise-----	6000.00
Teams, harness and wagons-----	1000.00
Solvent accounts outstanding-----	2500.00
Hydro-electric plant and machinery-----	8000.00
Wheat crop now being harvested-----	800.00
	<u>\$25300.00</u>

LIABILITIES

Class 1.	Chattel mortgage on hydro-electric machinery given to secure promissory note for \$500.00 under date of June 14, 1912, to Cloverdale Light and Power Company. Due June 14th, 1914. Interest, 6 per cent per annum-----	\$500.00
Class 2.	Promissory note, date Jan. 11, 1910, due Jan. 11, 1914, renewable at option of payor, interest 5% per annum, payee, James A. Gunn (father)	\$950.00
	Note, dated June 14, 1912, due one day after date, payment to be called for Sept. 15th, 1912. Interest 8%, payee, W. Hurlbutt.	\$800.00
	Promissory note, past due, interest 8% per annum, payee, Baker & Hamilton.	\$200.00
	Promissory note, past due, interest 8% per annum, payee, Mrs. J. H. Brown.	\$200.00

Class
5.

Bal. due to complete equity in store bldg.	\$ 1900.00	
Bal. due for merchandise	1500.00	
	<u>\$ 6030.00</u>	<u>\$23500.00</u>
		6050.00
Total assets in excess of liabilities-----		<u>\$17270.00</u>

All interest on above notes for the last fiscal year to the amount of \$81.00 has been paid.

It will be seen that his financial condition is not such as to convince the Commission that he will be able to carry out his plans, but it should be stated that he testifies that he has a party willing to put in the capital necessary to complete the line and develop the hydro-electric energy if his application is granted.

The Mt. Konocti Light & Power Company appeared in this hearing as protestant and it was stipulated that the testimony offered by the Mt. Konocti Light & Power Company in Application No. 147, tending to show that that company was not only better prepared financially to serve the people of Lake County, California, with electricity but that the equities as to priority of beginning work and obtaining franchises were with the Mt. Konocti Light & Power Company, should be considered as evidence for said Mt. Konocti Light & Power Company in protesting against the granting of this application. The circumstances surrounding this application, while not exactly similar to those of Application No. 147, are somewhat analogous in that applicant asks to build his line in Kelseyville, Highland and other territory covered by the franchise granted by the Board of Supervisors of Lake County, California, all of which territory is not at present served by a public utility of like character: but he also desires to build into Lakeport which the Mt. Konocti Light & Power Company has been serving for the past year, as appears in this Commission's opinion in Application No. 147 of the Mt. Konocti Light & Power Company.

As to such territory not now served by any other public utility, applicant does not require a certificate of public convenience and necessity from this Commission, as was decided in Application No. 147. As to Lakeport and the territory adjacent thereto now being served by the Mt. Konocti Light & Power Company, I am of the opinion that present and future public convenience and necessity do not and will not require the building of a line by applicant to serve the people with electricity and I therefore recommend that as to said territory in and adjacent to Lakeport, the application be denied and that applicant be notified that he does not require a certificate from this Commission for the remainder of the territory in question.

I submit herewith the following form of order:

ORDER

Jas. A. Gunn, Jr., having filed with this Commission his application for a certificate of public convenience and necessity under the provisions of Section 50 of the Public Utilities Act permitting him to transmit and distribute electrical energy throughout Lake County, California, and a public hearing having been held on said application.

IT IS HEREBY ORDERED as follows:

(1) That, in so far as said application is for authority to serve the Town of Lakeport and territory adjacent thereto now being served by the Mt. Konocti Light & Power Company, or any other light or power company, said application is hereby denied, for the reason that the Commission finds that public convenience and necessity does not demand that applicant serve said territory; and,

(2) Said application, in so far as it asks authority to serve Kelseyville and other portions of Lake County not actually being served by another utility of like character, is

hereby denied without prejudice to applicant, for the reason that as to such territory applicant has the right to serve the same without having first secured from this Commission a certificate of public convenience and necessity.

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 August, 1912.

H. D. Lovland
Wm. G. Taylor
Max Healey
Commissioners.