

Decision No. _____.

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

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Decision No. 3087

In the matter of the application of the
CONTRA COSTA GAS COMPANY,
a corporation, for a certificate that
the present and future public conven-
ience and necessity require, and will
require, the exercise of such portion
of the rights and privileges granted to
S. Waldo Coleman by Ordinance No. 130 of
the County of Contra Costa adopted Sep-
tember 2, 1913, (which said rights were
later assigned to said Contra Costa Gas
Company in accordance with Decision No.
1878 of the Railroad Commission of the
State of California) as are necessary to
enable the construction of a gas system
for the distribution and sale of gas in
the general territory commencing with the
Westerly boundary line of the Town of
Martinez, Contra Costa County, thence
Westerly through the unincorporated place
known as Port Costa and thence Westerly
to and including the unincorporated pla-
ces known as Crockett, Crotona and Valona.)

Application
No. 2064.

S. Waldo Coleman for applicant.

GORDON, Commissioner.

OPINION.

This is an application under the provisions of
Section 50 of the Public Utilities Act for a certificate that
the present and future public convenience and necessity re-
quire the construction of a gas system for the distribution
of gas in the "general territory commencing with the Westerly
boundary line of the Town of Martinez, thence Westerly through

"the unincorporated place known as Port Costa, thence Westerly to and including the unincorporated places known as Crockett, Crolona and Valona", all in Contra Costa County.

Applicant reports that at the present time no plant, system, corporation, firm or person is supplying or conveying gas to the inhabitants of that part of Contra Costa County above-mentioned. No protests against the proposed extensions of Contra Costa Gas Company have been filed in connection with the application herein.

Contra Costa Gas Company was organized April 24, 1914, with an authorized capital stock of \$250,000, divided into 2,500 shares of the par value of \$100. each. Pursuant to Decision No. 1878, dated October 15, 1914, (Volume 5, Opinions and Order of the Railroad Commission of California, page 594) S. Waldo Coleman sold to Contra Costa Gas Company among others a franchise (Ordinance No. 130) which he had acquired from the Board of Supervisors of Contra Costa County. This franchise permits the grantee, his successors and assigns to lay down, construct, maintain and operate a system for the manufacture and distribution of gas and all gas pipes, conduits, fixtures, appurtenance and appliances as may be convenient and proper for the manufacture and distribution of gas, and the maintenance and operation of such system through, under, along and across all the roads, highways, public ways, streets, lanes and public grounds and places outside of incorporated territory in said county.

This Commission by Decision No. 1200, dated January 15, 1914, (Volume 4, Opinions and Orders of the Railroad Commission of California, page 27) authorized S. Waldo Coleman, his successors and assigns, to exercise such portion of the rights and privileges granted to him by said Ordinance No. 130 of the County of Contra Costa, adopted September 2, 1913, as are

necessary to enable the construction of a gas plant and system for the manufacture and distribution of gas in the general territory commencing with Martinez on the west, thence southeasterly to Pacheco and Concord, thence northeasterly and easterly to Pittsburg and Antioch, including the territory adjacent to said towns of Martinez, Pacheco, Concord, Pittsburg and Antioch.

By the aforesaid Decision No. 1878, dated October 15, 1914, this Commission authorized applicant herein to issue \$61,150.00 par value of stock at not less than \$80.00 per share and \$109,000.00 face value of six per cent bonds at not less than 90 per cent of the face value and accrued interest. All of the stock and bonds have been issued. Applicant reports that it has expended the proceeds from the sale of its stocks and bonds to construct a gas generating plant and a transmission and distribution system.

Its gas generating plant is located just outside the city limits of Pittsburg, Contra Costa County. Originally, applicant planned to erect a generating plant having a capacity of 360,000 cubic feet per day and a storage holder with a capacity of 36,000 cubic feet. It now reports that it has erected a storage holder having a capacity of 75,000 cubic feet and a generating plant with a capacity of 400,000 cubic feet per day. Transmission lines have been constructed from the generating plant to Pittsburg, Antioch, Concord and Martinez. In each of the cities or towns distribution systems have been installed.

Applicant began to operate its plant March 15, 1915, at which time it had 15 consumers. On January 1, 1916, applicant reports that it had 1092 consumers. The daily output at present is reported as being approximately 110,000 cubic feet.

Contra Costa Gas Company reports operating revenues and expenses from March 15, 1915 to December 31, 1915, as follows:

OPERATING REVENUE:

Gas Pittsburg District,	\$9,341.75	
Gas Martinez District,	3,347.95	\$12,689.70
Sundry Sales Net,		<u>3,347.16</u>
Total Operating Revenue, . .		\$16,036.86

OPERATING EXPENSES:

Commercial Expenses,	\$2,467.61	
Miscellaneous Expenses,	164.07	
Production Operation,	4,294.94	
Distribution Operation,	581.03	
Transmission Operation,	564.21	
Production Repairs,	157.43	
Transmission Repairs,	45.13	
Distribution Repairs,	101.97	
Taxes,	666.21	
Insurance,	132.25	
General Office Supplied & Expenses,	73.71	
General Officers Salaries,	75.00	
Amortization of Bad Debts,	<u>126.90</u>	
Total Operating Expenses,		<u>\$ 9,450.46</u>
Net Operating Revenue,		6,586.40
Bond Interest,		<u>817.50</u>
Corporate Surplus,		5,768.90

Applicant reports that up to September 30, 1915, all bond interest was charged to construction. From October 1, 1915 to December 31, 1915, one-half of the bond interest was charged to construction and one-half to operating expenses. Since January 1, 1916, all bond interest is being charged to operating expenses.

Contra Costa Gas Company reports as of December 31, 1915, assets and liabilities as follows:

ASSETS:

Intangible Capital, \$1,709.00

Tangible Capital:

Landed Capital,	\$1,554.14
Production Capital,	37,705.90
Transmission Capital,	30,926.32
Distributing Capital,	57,086.47
General Capital,	32,934.44

Total Tangible Capital, 160,207.27

Current Assets:

Cash,	1,218.74
Accounts Receivable,	8,495.52
Materials and Supplies,	13,019.41

Total Current Assets, 22,733.67

Prepaid Expenses,	54.66
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Deferred Assets:

Special Deposit City of Pitts-	
burg,	500.00
Stock Discount unamortized,	12,879.50
Bond Discount and Expense	
unamortized,	<u>11,291.33</u>

Total Deferred Assets, 24,670.83

TOTAL ASSETS, \$209,375.43

LIABILITIES:

Common Capital Stock:

Authorized,	250,000.00	
Less Unissued,	<u>188,850.00</u>	
Stock Outstanding,		\$ 61,150.00

Bonds:

Authorized,	\$500,000.00	
Less Unissued,	<u>391,000.00</u>	
Bonds Outstanding,		109,000.00

Current Liabilities:

Notes Payable,	20,316.24	
Accounts Payable,	8,358.73	
Unpaid Wages,	1,098.23	
Consumers' deposits,	<u>70.00</u>	
Total Current Liabilities, . .		29,843.20

Accrued Liabilities not yet due:

Bond Interest,	1,635.00	
Other Interest,	117.06	
Taxes,	666.21	
Insurances,	<u>1,068.16</u>	
Total Accruals,		3,486.43

Reserve for Accrued Bad Debts	126.90
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Corporate Surplus Unappropriated, 5,768.90

TOTAL LIABILITIES . . . \$209,375.43

General capital (\$32,934.44), as shown on preceding page, includes \$13,884.51 said to represent development expenses, \$7,256.19 for engineering and superintendence, \$2,756.56 for interest and \$2,340.34 for insurance.

Applicant now proposes to install a 3-inch transmission line extending from Martinez to Crockett, a distance of approximately 7 miles. Distribution systems are to be installed at Port Costa, Crockett, Crotona and Valona. The cost of extension, applicant estimates at \$35,000. The funds necessary to pay for the extension will be secured through the issue of short term notes, the payment of which will be guaranteed by S. Waldo Coleman, president and general manager of Contra Costa Gas Company. The president of the company estimates that by means of this extension 400 additional consumers can be obtained. The additional consumers will not necessitate an enlargement of the generating plant.

In view of the facts submitted by applicant, I recommend that this application be granted subject to the conditions found in the order herein.

O R D E R.

CONTRA COSTA GAS COMPANY have applied to the Railroad Commission for a certificate declaring that present and future public convenience and necessity require and will require the construction of a gas transmission and distribution system, as hereinafter described, and also the exercise of a portion of the rights and privileges granted to applicant by Ordinance No. 130 of the County of Contra Costa, adopted September 2, 1913,

And a public hearing having been held upon said application and the Railroad Commission finding that a certificate should be granted, as hereinafter set forth,

The Railroad Commission of California hereby

declares that public convenience and necessity require the exercise by Contra Costa Gas Company of such portion of the rights and privileges conferred by Ordinance No. 130 of the County of Contra Costa, adopted September 2, 1913, as are necessary to enable the construction of a gas transmission line and distribution system for the distribution of gas in the "general territory commencing with the Westerly boundary line of the Town of Martinez, thence Westerly through the unincorporated place known as Port Costa, thence Westerly to and including the unincorporated places known as Crockett, Crotona and Valona", all in Contra Costa County, provided that Contra Costa Gas Company shall first have filed with the Railroad Commission a stipulation duly authorized by its board of directors, declaring that Contra Costa Gas Company, its successors and assigns, will never claim before the Railroad Commission or any court or other public body, a value for said rights and privileges granted by said Ordinance No. 130 in excess of the actual cost to Contra Costa Gas Company to acquire the said rights and privileges, which cost is represented by Contra Costa Gas Company to have been \$299.45, and shall have received from the Railroad Commission a supplemental order declaring that such stipulation, in form satisfactory to the Railroad Commission, has been filed with the Railroad Commission.

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 8th-
day of February, 1916.

H. H. Loveland
Alfred G. Kent
Edwin O. Edgerton
Frank R. Doherty

Commissioners.