

# ORIGINAL

Decision No. 11313

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application	)	
of the MIDLAND COUNTIES PUBLIC	)	
SERVICE CORPORATION and the SAN	)	
JOAQUIN LIGHT AND POWER CORPORA-	)	Amended and Supplemental
TION for an order preliminary to	)	Application No. 2761.
the issue of a certificate that	)	
public convenience and necessity	)	
will require the construction of	)	
pipe lines to serve natural gas.	)	

Short and Sutherland, by W. A. Sutherland  
for applicants.  
Chickering and Gregory, by George Whipple,  
for Santa Maria Gas and Power Company.

LOVELAND, Commissioner.

## O P I N I O N

The original application No. 2761 was filed on February 13, 1917, by the Midland Counties Public Service Corporation hereinafter designated as Midland Counties Company, requesting an order preliminary to the issue of a certificate that the present and future public convenience and necessity require and will require that company to exercise rights and privileges under a franchise to be obtained from the County of San Luis Obispo and to serve with natural gas the towns of Pismo and Avila and customers along its 4" high pressure line from Oilport to San Luis Obispo.

A hearing in this matter was held at San Francisco on March 12, 1917, at which time the Santa Maria Gas and Power Company, hereinafter designated as Santa Maria Company, intervened to object to any entrance by Midland

Counties Company into territory served by it.

It developed at the hearing that San Joaquin Light and Power Corporation, hereinafter designated as San Joaquin Company, had constructed a 4" line some 2 miles in length connecting its steam electric plant at Betteravia to the Midland Counties Company's 8" gas line from the oil fields in Santa Barbara County to Oilport, San Luis Obispo County, and had entered into an agreement with the latter company for the transportation of natural gas for use in the said plant. Under the circumstances it was agreed that subsequent to the hearing in and submission of the original application an amended application should be filed jointly by the Midland Counties Company and the San Joaquin Company requesting an order preliminary to the issuance of a certificate of public convenience and necessity as both companies were involved in the matter.

On April 2, 1917, an amended application was filed jointly by the Midland Counties Company and the San Joaquin Company. This amended application did not fulfill all the necessary requirements and thereafter, upon request, applicants filed on May 19, 1917 a joint amended and supplemental application.

Midland Counties Public Service Corporation requests that the Commission declare that public convenience and necessity <sup>require</sup> and will require the exercise by it of rights and privileges granted to it under franchises which it alleges have been obtained from the counties of Santa Barbara and San Luis Obispo and the service by it of gas in the towns of Avila and Pismo, County of San Luis Obispo, and along its 4" pipe line from Oilport to San Luis Obispo, none of which territory is now served.

Midland Counties Company has not filed as yet copies of franchises which it states have been obtained.

San Joaquin Company asks for a certificate that the present and future public convenience and necessity require and will require the construction and operation of its steam plant at Betteravia.

Midland Counties Public Service Corporation is the owner of an 8" pipe line for the transmission of natural gas extending from the Santa Maria Oil Fields, County of Santa Barbara, approximately 40 miles in a northwesterly direction to a point approximately one-half mile east of the town of Avila in the County of San Luis Obispo. This line, at the present time, is being used <sup>only</sup> by the Midland Counties Company and the San Joaquin Company for the purpose of transmitting natural gas used by Midland Counties Company for distribution to its consumers in the City of San Luis Obispo and adjacent territory, and by San Joaquin Company in its steam electric plant at Betteravia. Gas for San Luis Obispo is conveyed from the main line near Oilport by means of a 4" pipe line extending through territory not now served by a utility of like character and connecting to the San Luis Obispo distributing system.

In order to obtain rights of way for the 4" line to San Luis Obispo Midland Counties Company was required to agree to serve certain parties along said line. Midland Counties Company has about 30 applicants in Pismo to serve which will require an investment of approximately \$1,200 and result in a gross revenue of at least \$720. In Avila it is estimated there will be 60 consumers costing about \$1,692.84 to serve and that the gross revenue will amount to \$1,500.

San Joaquin Light and Power Corporation

has constructed a steam plant at or near the town of Betteravia, Santa Barbara County, for the purpose of bettering the electric service to the Midland Counties Company and a gas main from the 8" main of the latter company, a distance of approximately 2 miles to its steam plant to supply that plant with natural gas for fuel, the gas being owned by San Joaquin Company and transported from the fields by Midland Counties Company.

Midland Counties Company proposes to charge consumers for natural gas at Pismo and Avila and along the line to San Luis Obispo the same rates as are effective on its system in the City of San Luis Obispo, viz:

First 5,000 cu.ft. per month	\$.75	per	1,000 cu.ft.
Next 20,000 "	2 "	.50 "	" "
All over 25,000 "	" "	.35 "	" "
Monthly minimum charge per meter installed \$.85			

Santa Maria Gas and Power Company transmits and distributes natural gas for domestic, commercial and industrial purposes in the northern part of Santa Barbara County, serving Santa Maria, Guadalupe, Betteravia and intervening territory and in a part of San Luis Obispo County, including the towns of San Luis Obispo, Arroyo Grande, Los Berros and Nipomo.

The Santa Maria Company opposes the Midland Counties Company or San Joaquin Company serving gas in those portions of Santa Barbara County and San Luis Obispo County now being served by it.

The transmission mains of the Santa Maria Company and the Midland Counties Company do not follow the same general course through San Luis Obispo County and no gas is now supplied along the latter company's line or in the towns of Pismo and Avila by the Santa Maria Company.

The two applicants and the Santa Maria Company agreed regarding the question of service in general and filed a joint stipulation on April 12, 1917, covering stipulation made at the hearing and satisfying the objections of Santa Maria Company.

The stipulation entered into between counsels for San Joaquin Light and Power Corporation, Midland Counties Public Service Corporation and Santa Maria Gas and Power Company is as follows:

"It is hereby stipulated and agreed by and between counsel for the applicants in the above entitled matter, and counsel for the Santa Maria Gas and Power Company as follows:

I.

"That the applicant, San Joaquin Light & Power Corporation, will use only for the purpose of operating a steam plant at Betteravia, the gas to be transported to said town of Betteravia, as set forth in the amended application on file herein, and will not serve or deliver gas to any consumer at said town of Betteravia, or through the line owned by it without the order of the Railroad Commission.

II.

"That applicant, Midland Counties Public Service Corporation, will not serve any consumer on any portion of the bypass line owned by it, and crossing the Santa Maria river near the town of Guadalupe, and will deliver no gas into the line owned by applicant, San Joaquin Light & Power Corporation, except for use by said last named applicant, without securing an order from the Railroad Commission for that purpose.

III.

"That applicant, Midland Counties Public Service Corporation, will not serve any consumers from the main line described in its application herein, between the Santa Maria oilfields and the Santa Maria river without the permission of the Railroad Commission, except where such service is consented to by the Santa Maria Gas & Power Company.

IV.

"In consideration of the above stipulation by applicants herein, Santa Maria Gas & Power Company agrees that it will not oppose the granting of the order being prayed for."

Considering the facts as shown by the evidence in this proceeding and the stipulation between the various parties and the amended and supplemental application filed, I believe that the application should be granted and recommend the following form of Order.

O R D E R

MIDLAND COUNTIES PUBLIC SERVICE CORPORATION having applied to this Commission for a certificate that public convenience and necessity require and will require the construction of pipe lines to serve natural gas in the territory hereinafter described, and a public hearing having been held and the matter having been submitted with the understanding that an amended application be filed by the Midland Counties Public Service Corporation and the San Joaquin Light & Power Corporation, and that a stipulation be signed by the parties in interest; and said Midland Counties Public Service Corporation and San Joaquin Light and Power Corporation having filed an amended application satisfactory to the Commission, and the parties in interest having filed said stipulation, and the protest heretofore referred to having thereby been withdrawn and the matter being now ready for decision, and it appearing that public convenience and necessity will be subserved by the exercise of franchise rights by the Midland Counties Public Service Corporation as limited by the stipulation heretofore quoted and also served by the construction and operation by San Joaquin Light & Power Corporation of its steam plant at Betteravia and the use of natural gas therein,

IT IS HEREBY DECLARED that public convenience and necessity will require the exercise by Midland Counties

Public Service Corporation of the franchise to be obtained by it from the counties of Santa Barbara and San Luis Obispo in so far as necessary to operate its present lines and to construct and operate lines to serve the towns of Pismo and Avila, and along and adjacent to applicant's transmission line from Oilport to San Luis Obispo and to other territory in San Luis Obispo<sup>County</sup> and Santa Barbara County subject to the requirements as set forth in the stipulation filed with the Commission and included in the opinion herein, and the service of consumers in that territory; final order in this application to be made after Midland Counties Public Service Corporation shall have acquired said franchise as aforesaid from the county of San Luis Obispo and the County of Santa Barbara, and shall have filed copies of same with the Railroad Commission of the State of California and subject to such terms and conditions as this Commission may designate.

IT IS FURTHER DECLARED that public convenience and necessity require: and will require San Joaquin Light and Power Corporation to construct and operate a steam electric plant at Betteravia and a gas transmission main connecting its steam plant at Betteravia with the Midland Counties Public Service Corporation's transmission main near that town, the gas main to be used for the purpose only of supplying San Joaquin Light and Power Corporation's steam plant with natural gas for fuel.

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 24<sup>th</sup>  
day of May, 1917.

W. Howard

Edwin O. Edgerton

Frank R. DeWitt  
Commissioners.