

Decision No. 39035

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
 SANTA MARIA GAS COMPANY, a corpo-  
 ration, for a Certificate of Public  
 Convenience and Necessity, under  
 Section 50 of the Public Utilities  
 Act, for authority to Exercise the  
 Franchise acquired from the County  
 of San Luis Obispo, by Ordinance  
 No. 39.

**ORIGINAL**

Application No. 21749

R. E. EASTON, FOR APPLICANT

BY THE COMMISSION:

O P I N I O N

Santa Maria Gas Company requests a certificate of public convenience and necessity under Section 50(b) of the Public Utilities Act authorizing the exercise of the rights and privileges under a fifty-year gas franchise granted to it by Ordinance No. 39 of the Board of Supervisors of the County of San Luis Obispo, adopted on January 6, 1936, a copy of which is attached as Exhibit "A" to the application.

Public hearing was held before Examiner C. C. Brown at San Luis Obispo, California, on March 2, 1938. No one protested the granting of the application.

It appears from the record that for many years last past, applicant or its predecessors in interest, have been rendering gas service in the County of San Luis Obispo and have used the public highways therein under and pursuant to a fifty-year gas franchise granted to R. E. Easton by an unnumbered Ordinance of the Board of

Supervisors of the County of San Luis Obispo adopted on August 9, 1911; that said franchise contains a clause providing that the work of laying pipes thereunder should be completed within three years after the effective date of said franchise.

Applicant alleges that such provision raises a legal question as to whether applicant is entitled to continue to lay pipelines under said franchise after the expiration of said initial three-year period, and that for this reason applicant secured the new franchise first above described.

Applicant now renders gas service in a portion of the County of San Luis Obispo but is not rendering such service in the entire county. No other utility is at present rendering gas service within the county.

Applicant has stipulated that it, its successors or assigns, will never claim before the Railroad Commission or any court or public body any value for said franchise in excess of the actual cost thereof, which is Five Hundred Thirty-six and 38/100 Dollars (\$536.38), including the Fifty Dollar (\$50.00) fee for the filing of the present application.

It should be noted that this is an application under Section 50(b) of the Public Utilities Act for a certificate of public convenience and necessity to exercise rights granted by a franchise which covers the entire county. Applicant does not now serve throughout the whole county. The franchise is for a term of fifty years. The Commission cannot foretell future conditions nor make a finding now that public convenience and necessity require the exercise of such franchise in its entirety. However, the exercise of such rights should be authorized as to territory now served by applicant and as to extensions made in

the normal course of business as contemplated by Section 50(a) of the Public Utilities Act.

O R D E R

IT IS FOUND AS A FACT that public convenience and necessity require, and Santa Maria Gas Company is hereby granted a certificate to exercise the rights and privileges granted to it by Ordinance No. 39 of the County of San Luis Obispo, as to the territory now being served by it and as to extensions to its existing system made in the normal course of business as contemplated by Section 50(a) of the Public Utilities Act.

This Order shall be effective immediately.

Dated, San Francisco, California, March, 14, 1938.

Leon Whitell  
James R. Brown  
Rafaela J. Brown  
Ray L. Brown  
Commissioners.