

Decision No. 31512.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
DWIGHT E. KNAPP and  
FRANK R. DAWLEY  
Dba GARBERVILLE GAS COMPANY

For a Certificate of Public Convenience  
and Necessity.

**ORIGINAL**

Application No. 22178.

Dwight E. Knapp and Frank R. Dawley,  
in propria persona.

BY THE COMMISSION:

O P I N I O N

In the application it is requested that the Commission grant a certificate that public convenience and necessity require the furnishing and supplying of butane gas service for heat, lighting and power purposes in the unincorporated Town of Garberville in Humboldt County, California. The extent of the proposed service is set forth in the application in that part of Exhibit No. 4 designated as a copy of the official map of Garberville.

A public hearing in the proceeding was held before Examiner Wehe in Garberville on November 16, 1938, where evidence was presented and the matter was submitted for decision.

The area proposed to be served by the Applicants is situated in the Town of Garberville, in Humboldt County, along the Redwood Highway, and has a population of between 450 and 500 persons. During the summer tourist season this population is greatly augmented and it was pointed out in the application that the present demand for housing can not be met at this season of

the year. The Applicants estimate that the territory contains a potential 130 gas consumers and that they anticipate 50 of these will take advantage of the service immediately upon it being available.

Exhibit No. 1, attached to the application, is a copy of a franchise awarded to the Applicants on June 14, 1938, granting them permission to install and maintain, for a period of fifty years thereafter, such a system of pipe lines together with such appurtenances as may be necessary to operate the proposed gas system in the Town of Garberville. The Applicants represent they are financially capable of carrying out the project and do not intend to issue or sell securities to the public. A financial statement of the two parties is attached as an exhibit to the application.

In testimony presented at the hearing it was brought out that Applicants proposed to distribute commercial butane gas having a heat content of 3200 B.t.u., under the name of Garberville Gas Company, and, if the certificate prayed for is granted by the Commission, they will enter into a five-year contract with the Ransome Company of Emeryville, California, for the supply and delivery of liquid butane. It was further brought out that the storage facilities, in which the liquid butane is held, consist of a 3500-gallon steel tank with necessary fixtures and said tank is already in place and that service could be made available to the public almost immediately.

At the hearing Applicants called upon several property owners residing in Garberville, who testified as to the urgent need for gas service and that they would be willing to take such service if the rates were reasonable.

The record also shows that, while the margin of income over expenses would be very small for the first two or three

years, Applicants were willing and anxious to go ahead in order that the community might have the advantages of gas service and they were hopeful that eventually the undertaking would prove profitable.

In Exhibit No. 1 offered at the hearing by Applicants, a proposed general service rate schedule is submitted. This schedule provides for rates as follows:

RATE:

First	50 cu.ft.per meter per month or less	\$1.00	
Next	200 cu.ft.per meter per month .....	0.95	per 100 cu.ft.
Next	550 cu.ft.per meter per month .....	0.60	per 100 cu.ft.
Next	1000 cu.ft.per meter per month .....	0.50	per 100 cu.ft.
Next	3200 cu.ft.per meter per month .....	0.40	per 100 cu.ft.
Over	5000 cu.ft.per meter per month .....	0.35	per 100 cu.ft.
Monthly Minimum Charge .....		\$1.00	

This proposed schedule of rates for a gas of this heat content appears to be reasonable, considering the use and the location of the territory to be served.

Applicants have stipulated that they or their successors, or assigns, will never claim before the Railroad Commission of the State of California, or any court or public body, any value for the franchise herein referred to in excess of the actual cost thereof, which is Five (5) Dollars, paid to the County of Humboldt, plus certain expenses incidental to the obtaining of the franchise, all of which costs are exclusive of the Fifty (50) Dollars fee for filing of the present application.

Since there appears to be a demand for gas service

in the Town of Garberville of the character here proposed and, further, since no such service is now being supplied and no opposition to the granting of any part of the application was heard, the Commission is of the opinion that the certificate for gas utility service should be granted, subject to the conditions of the following Order.

#### O R D E R

IT IS HEREBY FOUND AS A FACT that public convenience and necessity require and D. E. Knapp and F. R. Dawley are hereby granted a certificate to exercise the rights and privileges, pertaining to the construction, maintenance and operation of facilities used in the furnishing of butane gas service in the Town of Garberville, by franchise and ordinance granted June 14, 1938 by the Board of Supervisors of Humboldt County, State of California. The granting of said certificate is subject to the following conditions and not otherwise:

1. Applicants shall file with the Railroad Commission within thirty days from the date hereof a written acceptance of the certificate herein granted.
2. Applicants shall file with the Railroad Commission in quadruplicate a schedule of gas rates in accordance with the requirements of the Railroad Commission's general orders and containing rates which in effect shall be the same as those presented in Exhibit No. 1, and also a set of Rules and Regulations satisfactory to the Railroad Commission. Said filing shall be made not less than ten days prior to the effective date thereof.
3. The rights and privileges herein authorized may not be discontinued, sold, leased, or transferred or assigned unless the written consent of the

Railroad Commission to such discontinuance, sale, lease or transfer or assignment has first been obtained.

4. The authorization here granted shall lapse and become null and void if not exercised within one year from the date hereof.

For all other purposes the effective date of this order shall be the date hereof.

Dated at Los Angeles, California, this 5<sup>th</sup> day of December, 1938.

Ray D. Whipple

Frank R. Martin  
Ray & Ray

Commissioners.