

Decision No. 32247

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
 PACIFIC GAS AND ELECTRIC COMPANY, a
 corporation, for an order of the Rail-
 road Commission of the State of Cali-
 fornia issuing to applicant a certi-
 ficate of public convenience and neces-
 sity to construct extensions of its
 natural gas transmission and distri-
 bution systems for the purpose of sup-
 plying gas service in the City of Biggs
 and contiguous territory; to exercise
 rights and privileges under franchises
 granted to applicant by the County of
 Butte and the City of Biggs; and to
 make effective in the area involved the
 natural gas rates herein referred to.

ORIGINAL

APPLICATION NO. 22717.

R. W. DuVal, for Applicant,
 F. H. Thomas and W. L. Dennis,
 Members of the City Council, City of Biggs.

BY THE COMMISSION:

O P I N I O N

In this application Pacific Gas and Electric Company, hereafter referred to as Applicant, asks the Railroad Commission of the State of California for an order certifying that public convenience and necessity will require the construction and operation of a natural gas transmission and distribution system for the purpose of supplying gas service in the City of Biggs and contiguous territory; and in connection therewith to exercise rights and privileges under franchises granted to Applicant by the County of Butte and the City of Biggs; and further, permission to make effective certain natural gas rates in the area to be served.

A public hearing was held in this matter in Biggs, California, on July 26, 1939, at which evidence was taken by Examiner Daly and the matter submitted for decision.

According to testimony presented at the above hearing, in order to serve the City of Biggs it will be necessary for Applicant to construct, as an extension of its existing transmission system, from a point on the State Highway due east of the City of Biggs, Butte County, a three-inch gas main approximately 4,450 feet long in a westerly direction along the county road to the city limits of the City of Biggs. This three-inch main will connect with Applicant's eight-inch high-pressure gas transmission main extending from Marysville in a northerly and westerly direction to Chico.

In addition to the above extension of Applicant's transmission lines it will be necessary to install approximately 2,200 feet of three-inch main and 14,080 feet of two-inch gas distribution mains. Applicant will also install as part of said extension all meters and regulators required to supply natural gas service in the territory involved. A blueprint drawing showing the approximate location and routes of the above described transmission and distribution system, marked Exhibit "A," is attached to the Application and made a part thereof.

In extending Applicant's natural gas system it will be necessary to utilize the county road of the County of Butte and certain streets in the City of Biggs. Applicant states that for sometime past it has been in possession and ownership of certain

rights, privileges and franchises for the supplying of gas to the public in the above county and city and has been engaged in the business of furnishing and supplying gas to residents of certain portions of County of Butte under the following general and/or special franchises granted by the Board of Supervisors of the County of Butte. These are shown as follows:

<u>Ordinance No.</u>	<u>Adopted</u>	<u>Expires</u>	<u>Granting Franchise to</u>
Resolution	February 5, 1902	February 5, 1952	Oroville Light and Power Co.
269	November 9, 1911	November 9, 1961	Pacific Gas and Electric Company

In addition to the above franchises Applicant possesses a further general county gas franchise for said County of Butte granted it by Ordinance No. 350 of the Board of Supervisors of the County of Butte on the 12th day of January, 1938. Applicant further alleges that on April 10, 1939 the City Council of the City of Biggs adopted an Ordinance No. 86, wherein it was granted a franchise to lay and use in the streets of said city all pipes and appurtenances for transmitting and distributing gas to the public for any and all purposes within the said city upon the terms and conditions set forth in the Franchise Act of 1937.

Applicant requests permission to exercise the rights and privileges contained in the above franchises which may be used or useful in connection with the construction, operation, and maintenance of the proposed natural gas system. The record shows that no other public utility is engaged in the business of supplying natural gas in the territory set forth in the application, and the exercise of the aforesaid franchises by Applicant is believed to

be in the public interest and the Order herein will grant the permission necessary to exercise these franchise rights.

It is the stated intention of the Applicant to supply the gas requirements of the new project from its transmission lines leading from the Marysville Buttes gas field. The estimated cost of the extension of Applicant's facilities into the new territory is \$22,549, made up of the following items:

14,080 feet 2" high pressure main	\$ 9,856
6,650 feet 3" high pressure main	5,320
1,800 square feet of paving, cut and replaced	990
Regulator, concrete pit and cover, and filter	245
Overhead construction costs	2,626
Meters, services, and regulators (installed)	<u>3,512</u>
Total Net Expenditure	\$22,549

Upon completion of the proposed project Applicant requests permission to make effective for the service of natural gas to customers located in the City of Biggs and contiguous territory and in the territory to be traversed by the proposed transmission main the following rate schedules presently on file with this Commission:

<u>Schedule</u>	<u>C.R.C. Sheets No.</u>
G-12	675-G
GD-12	676-G
GH-12	710-G
GS-12	711-G

The above rate schedules are those being applied at the present time in Applicant's Marysville-Chico-Colusa areas, and which are adjacent to the proposed new territory.

The record shows that Applicant has recently conducted a canvass of the prospective business to be expected in the new territory. As a result of this canvass it was stated that 84 signed applications for gas service in the territory involved in this application have been obtained, and it is estimated an annual gross revenue from said customers for the service of natural gas of \$4,000 will be obtained. In addition, it is Applicant's belief that there are an additional 45 potential domestic and/or industrial gas customers which may bring the gross revenue estimate to approximately \$6,000 per annum.

At the public hearing on this matter no one appeared to oppose or protest the granting of the various matters prayed for in the Application.

O R D E R

Pacific Gas and Electric Company having applied to the Railroad Commission of the State of California for an order certifying that present and future convenience and necessity require and will require the construction and operation of a natural gas project as outlined in its application to serve residents of the City of Biggs and contiguous territory; the exercise of all permits, easements, and franchises used or useful in connection with the said project; and the making effective of certain gas rate schedules;

Public hearing having been held, the matter having been submitted and now ready for decision,

The Railroad Commission of the State of California Hereby Certifies and Declares that public convenience and necessity

require and will require the construction, maintenance and use by Pacific Gas and Electric Company of a natural gas transmission line and distribution system, the furnishing of natural gas service from said system to consumers in the City of Biggs and contiguous territory, the exercise of all permits, easements and franchises at present in its possession and which are used or useful in connection therewith, and the making effective of certain gas rate schedules.

Upon the completion and placing in operation of the natural gas project described in this Order, Pacific Gas and Electric Company shall make effective in this area the following rate schedules:

<u>Schedules</u>	<u>C.R.C. Sheets No.</u>
G-12	675-G
CD-12	676-G
GH-12	710-G
GS-12	711-G

Except as otherwise provided herein this Order shall become effective upon the date hereof.

Dated at San Francisco, California this 15th day of August, 1939.

Robert J. Baker
James J. Baker
W. C. Baker
Justus J. Baker
 Commissioners