

Decision No. 35595

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
BLYTHE GAS CO., LTD. for a certificate
of public convenience and necessity.

Application No. 24701

L. R. Lackey, for applicant.

Charles W. Soderstrom, Jr.,
for Indio Gas Company.

BY THE COMMISSION:

O P I N I O N

Blythe Gas Co., Ltd., possesses the right to render gas service within the City of Blythe. This right was granted by Decision No. 29448, issued in January of 1937 to Mr. Louis R. Lackey, and later transferred to the applicant corporation. Authority is now sought to enlarge the service area to include not only the unincorporated communities adjacent to that city but also nearly all of the eastern portions of Riverside and San Bernardino counties.

Applicant's gas system within the city consists of a tank for the storage of Butane or other liquefied petroleum gas, from which tank the vaporized gas is distributed to customers through a system of mains and metered services. The liquefied gas is purchased from refineries in the Los Angeles area and transported to Blythe in the company's own tank trucks. It also engages in the sale and delivery by truck of liquefied gas in metal bottles or cylinders for individual uses throughout much of the territory covered by this application.

In the community of East Blythe applicant has already installed a separate storage tank and a small system of service mains, from which twenty-four customers are receiving metered gas service. This system is

not as yet connected to the Blythe system. Applicant's proposal now is to make other small installations of a similar kind within any community where a group of ten or a dozen prospective customers might economically be given pipe connections to a single liquid gas container. It appears that such a change in applicant's plan of operations is compelled by the Government's curtailment of the use of individual liquid gas containers. It is applicant's belief, however, that the other materials needed for the installation of a number of larger tanks and the necessary pipe connections will be procurable. It foresees the possibility of such group installations in a number of rather widely separated communities, including Colorado Bridge, Neighbors, Ripley, Palo Verde, and Desert Center.

The Commission is of the opinion that applicant should be authorized to enlarge its service area to include those communities relatively near the City of Blythe, but that the evidence does not justify the granting of a certificate nearly as broad as that requested. Although applicant declares that it would view each of these separate metered gas installations, if made, as a part of its utility service, it denies any intention of offering a utility service within all of the territory over which it seeks a certificate. The Indio Gas Company, which similarly conducts both a utility service and a bottled liquid gas distribution business, protests the granting of a certificate to the extent proposed, particularly if including the community of Desert Center. If the latter company should itself apply for authority to render a utility service in that community, the applicant here will of course be accorded an opportunity to present further evidence in support of its offer to serve that territory.

Applicant does not possess a franchise to occupy the highways of either Riverside or San Bernardino Counties. It alleges, however, that all facilities outside the City of Blythe will be located, for the present at least, on private property, and that a county franchise will be sought whenever required.

O R D E R

A hearing having been had upon the application of Blythe Gas Co., Ltd., and the matter fully considered by the Commission, and

It appearing, and being found as a fact that public convenience and necessity so require, IT IS ORDERED that Blythe Gas Co., Ltd., be and hereby is granted a certificate to construct a plant or system or to extend its plant or system, for the generation and supply of gas as a public utility within that unincorporated area adjacent to the City of Blythe, County of Riverside, not exceeding a distance of twenty (20) miles from said city, provided, however, that this certificate shall be subject to the condition that no claim of value for the authority herein granted in excess of the actual cost thereof shall ever be made by grantee, its successors, or assigns before this Commission or before any court or other public body.

The effective date of this order shall be twenty (20) days from the date hereof.

Dated at San Francisco, California, this 14th day of

July, 1942.

Justin D. Cameron
Walter H. Riley
W. H. W.
Francis L. Hayward
Richard Jackson
Commissioners