

Decision No. 13824

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
Railroad Commission of the State of
California approving the draft of a
certain memorandum of lease by and
between applicant and the CALIFORNIA
AND HAWAIIAN SUGAR REFINING CORPORA-
TION, and authorizing applicant to
enter into said Lease.

ORIGINAL

Application No. 10282.

BY THE COMMISSION:

O P I N I O N

Pacific Gas and Electric Company asks that the Railroad Commission authorize it to execute a lease, a draft of which is attached to the application and which covers the operation by Pacific Gas and Electric Company of a steam electric generating unit, which is the property of the California and Hawaiian Sugar Refining Corporation. The draft of the proposed lease declares that California and Hawaiian Sugar Refining Corporation is not a public utility and is unwilling to dedicate any part of its property to public service, but that, because of the public emergency created by extreme drouth and consequent shortage of hydro-electric power, it is willing to permit the operation of a spare generating unit in its refinery power plant by Pacific Gas and Electric Company. The proposed lease specifies the equipment to be used by Pacific Gas and Electric Company and the amount of the payment to be made for such use, and contains other provisions regarding liability, return of leased property, etc. It also recites that assurances have been given by the Railroad Commission that the consent by the lessor to the use of its plant as

provided cannot be considered a public service, nor impress said property with any obligation to serve the public directly or indirectly. It should be understood that this involves a question which, if raised, would in the last analysis have to be passed on in the Courts, and that this Commission is, therefore, unable to give any definite or binding assurance in this regard. It may be stated, however, that the proposed lease has been carefully considered, and that it is the opinion of the Commission that it would not be held to be a dedication of the property in question to public use, and that no obligation will attach to California and Hawaiian Sugar Refining Corporation except as specifically set forth in the lease.

The Commission is aware of the shortage of hydro-electric power which makes the operation of this unit desirable, and it appears that it is in the public interest that this surplus power be made available to the electric consumers of Pacific Gas and Electric Company.

O R D E R

Pacific Gas and Electric Company having applied to the Railroad Commission for an order approving the draft of a certain memorandum of lease by and between applicant and California and Hawaiian Sugar Refining Corporation and authorizing applicant to enter into said lease, and the Railroad Commission being of the opinion that the execution of said lease is in the public interest and that a public hearing is not necessary,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be and it is authorized to lease from California and Hawaiian Sugar Refining Corporation a steam electric generating unit and

appurtenant equipment substantially as described in the draft of a memorandum of lease attached to the application herein, and said memorandum of lease is hereby approved.

Dated at San Francisco, California, this 21st
day of July, 1924.

C. L. Seavey
H. H. Brundage
Iving Martin

Commissioners