

AVG:W

Decision No. 21733.

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, granting to applicant a certificate of public convenience and necessity to construct the gas transmission lines and system therein described.

**ORIGINAL**

Application No. 15602.

SEAVEY, COMMISSIONER:

SECOND SUPPLEMENTAL ORDER.

In this matter Pacific Gas and Electric Company has applied for a certificate of public convenience and necessity authorizing the construction of a natural gas transmission line and the service of natural gas in San Francisco, Oakland, and vicinity, and for the approval of rates to be charged for such service.

A certificate for such construction and service was granted by Decision No. 21,311, dated July 1, 1929, and Decision No. 21,689, dated October 18, 1929, while the question as to rates was continued for further hearing. It appears that upon the completion of a second transmission line, the construction of which was authorized by Decision No. 21,511, dated September 3, 1929, the Company will be in a position to render an adequate service of natural gas.

At the hearing on October 23, 1929, it was agreed that, as the result of the completion of the first line and pending the completion of the second line, it would be possible to increase the heating value of the manufactured gas now being served and to render a better service at present rates. As the appliances of consumers must soon be adjusted to permit of the use of natural gas, it is not desirable that the temporary increase in heating value of manufactured gas should be such as to require any extensive adjustment of such appliances. The accompanying order will, therefore, provide for a minimum heating value of 600 B.t.u. per cubic foot, but it will be expected that the Company increase this heating value as far beyond this figure as experience may show to be practicable.

The gas supplied by this Company has heretofore been manufactured from oil and, by Decision No. 9,125, dated June 21, 1921 (20 C.R.C. 64), the Commission provided that gas rates should be subject to specified increases or decreases with changes in the price of fuel oil. The present supply of natural gas having substantially replaced oil as a fuel in the Company's operations, this automatic adjustment in gas rates is no longer properly applicable, and the accompanying order provides for its elimination from rates in territory where oil is not being used as a fuel.

Hearings are to be continued for the purpose of determining rates to be charged for natural gas in San Francisco

and Oakland when that service is available.

O R D E R

For the reasons set out in the opinion preceding this order,

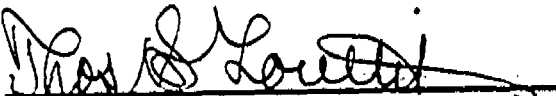
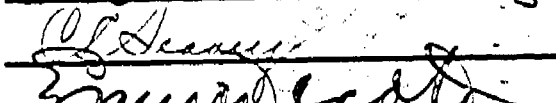
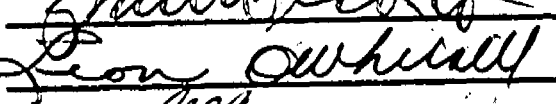

IT IS HEREBY ORDERED that,

(1) Not later than November 1, 1929, Pacific Gas and Electric Company shall increase the heating value of gas manufactured and sent out from its San Francisco and Oakland gas plants as far as may be found consistent with the satisfactory operation of the consumers' appliances now connected to its gas systems but to an average heating value of not less than 600 B.t.u. per cubic foot.

(2) Effective from and after the date of this order, the requirements of Decision No. 9,125 (20 C.R.C. 64), providing for the increase or decrease of gas rates with increases or decreases in the price paid for fuel oil are hereby cancelled, in so far as they affect the rates for gas in territory supplied with gas manufactured in plants where natural gas has replaced oil as a fuel.

The foregoing opinion and order are hereby approved and ordered filed as the opinion and order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 28<sup>th</sup> day of October, 1929.

Commissioners.