

Decision No. 24101.

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 a certain agree-
 ment entered into by and between ap-
 plicant and HERCULES POWDER COMPANY,
 a corporation, dated September 14,
 1931, and relating to electric service.)

Application No. 17679.

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

This is an application of Pacific Gas and Electric Company, a corporation, for an order approving a certain agreement dated September 14, 1931, made and entered into by and between applicant and Hercules Powder Company, a Delaware corporation. A copy of this agreement, marked Exhibit "A," is attached to and made a part of the application.

Under the terms and conditions, and during the term specified in the aforesaid agreement, applicant has agreed, among other things, to sell and deliver to Hercules Powder Company, and the latter has agreed to purchase all of the electric energy which shall be required for the operation of its electrical machinery and apparatus, including all compressors installed, and to be installed by said Hercules Powder Company, in conjunction with its ammonia oxidation processes, and in the conduct of its business upon its premises situate in the Town of Hercules, County of Contra Costa, State of California, being

the powder and chemical plant of said Hercules Powder Company; in being provided in said agreement that same shall not become effective unless and until approved by the Railroad Commission of the State of California and when so approved shall be deemed effective for all purposes as of the first day of September, 1931, and for five (5) years thereafter and until terminated by thirty (30) days' written notice by either party.

It is further provided that whenever required by applicant, Hercules Powder Company agrees to operate its steam-electric generating plant and deliver to applicant such electric energy as Hercules Powder Company may have available, for which applicant agrees to pay Hercules Powder Company an amount of money equal to the "out-of-pocket cost" to the latter for the generation of such energy actually delivered, said "out-of-pocket cost" to include all costs of such generation except fixed charges and depreciation.

Under said agreement the charges to be paid to applicant by Hercules Powder Company for electric energy and service furnished thereunder shall be in accordance with the following schedule of rates:

RATE:

Demand Charge:

First 1000 KVA or less of maximum demand - \$1,140.00 per mo.
All excess KVA of maximum demand per KVA - 1.00 per mo.

Energy Charge:

All energy 3.0 mills per kilowatt-hour.

Shut-Off Provision:

In consideration of the low rate herein provided the Consumer agrees that it will upon eight weeks' notice in writing from the company shut down or otherwise discontinue taking power for a consecutive period not exceeding three months in any

one year, beginning at any time between June 1st and August 31st at the option of the company. The company will specify both the time of beginning of such shut down and also, either in the original notice or as soon thereafter as practicable, the time of termination, provided, however, that the company may not require a shut down for more than three months nor more than one such shut down in any calendar year. During any such shut down at request of the company, all charges for power service will be discontinued and the monthly demand charge above provided will be prorated for fractions of a month at the beginning and end of any such period.

Service Conditions:

Twenty-three hundred (2,300) volt, sixty (60) cycle, 2 phase, one point of delivery, except as hereinbefore otherwise provided.

Maximum Demand:

The maximum demand in any month will be the average KVA delivery of the thirty minute interval in which such average is greater than in any other thirty minute interval in the month. The maximum demand on which the demand charge will be computed will be the mean of: (1) Such maximum KVA delivery in the current month, and (2) The average of such maximum KVA deliveries in the preceding eleven (11) months hereunder, provided, however, that the maximum KVA demand to be used in the current month for the purpose of computing the demand charge hereunder shall not be less than the maximum KVA demand delivery in the current month.

Oil Clause:

The above energy rate will be increased by one tenth mill for each 3.5¢ that the price of fuel oil as regularly quoted by the Standard Oil Company of California for delivery at its refinery at Richmond, California, exceeds \$0.89 per barrel, the increase to be computed to the nearest one tenth mill per KWH.

The Commission is of the opinion that said agreement is fair to all parties and that a public hearing in the matter is not necessary, and good cause appearing, therefore

IT IS HEREBY ORDERED that the above mentioned agreement between Pacific Gas and Electric Company and Hercules Powder Company be and the same is hereby approved.

The authority herein granted shall become effective on

the date hereof.

Dated at San Francisco, California, this 17th day
of October, 1931.

Al Deane

Leon Whitney

W.B. Harris

Frank G. Stewart

Commissioners.