

Decision No. 28881.

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
applicant and SHELL CHEMICAL COMPANY
under date of October 10, 1933.

Application No. 19184.

BY THE COMMISSION:

ORIGINAL

OPINION AND ORDER

This is an application of Pacific Gas and Electric Company, a corporation, for an order approving a certain agreement, dated October 10, 1933, made and entered into by and between applicant and Shell Chemical Company. A copy of the 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 to sell and deliver to Shell Chemical Company and the latter has agreed to purchase from the former all of the electric energy which said Shell Chemical Company shall require for the operation of its electrical machinery and apparatus and in the conduct of its business upon its premises situate near Pittsburg, in the County of Contra Costa, State of California, except such electric energy as may be generated by the installation of a steam electric generating plant, by Shell Chemical Company, of not to exceed six hundred (600) kilowatts capacity and to be operated in connection with its process steam.

It is provided in said agreement that the same shall become effective as soon as, but not before, it shall have been approved by the Railroad Commission; that said agreement shall continue in force until expiration of the term of five (5) years from and after the 25th day of February, 1933, and thereafter until terminated by thirty (30) days' written notice given by either party to the other of a desire of such termination and shall, as to all future transactions, supersede and take the place of that certain agreement bearing date of September 12, 1930, executed by and between the parties hereto, and relating to the purchase and sale of electric energy.

Under the said agreement of October 10, 1933, Shell Chemical Company grants to applicant a right of way for approximately sixteen hundred (1600) feet for the fifty-four thousand (54,000) volt overhead transmission line over its premises and the right of ingress to and egress from said premises.

The agreement further provides that the charges to be paid to applicant by Shell Chemical Company for three (3) phase, sixty (60) cycle alternating current electric energy at fifty-four thousand (54,000) volts shall be in accordance with the following schedule of rates, viz.:

RATE:

Demand Charge

| | |
|---|-------------------------|
| First 4,500 KVA or less of maximum demand | - \$5,500.00 per month. |
| All excess per KVA | - 1.00 per month. |

Energy Charge

| | |
|------------|----------------------|
| All energy | - 2.5 mills per KWH. |
|------------|----------------------|

Shut Off Provision

In consideration of the low rate herein provided the consumer agrees that it will upon six 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 minimum of \$5,500.00 above provided will be prorated for fractions of a month at the beginning and end of any such period.

Service Conditions:

Maximum Demand:

The maximum demand in any month will be the average KVA delivery of the 30 minute interval in which such average is greater than in any other 30 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 highest such maximum KVA delivery in the period ending with the current month and beginning with the previous month of February.

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 \$.89 per bbl., the increase to be computed to the nearest one-tenth mill per KWH.

It is also provided in the agreement that Shell Chemical Company may, during such time when its operations are suspended or curtailed due to causes not within its control, operate under applicant's regularly filed Schedule P-5 (Rate A); provided that said Chemical Company shall not operate under said schedule P-5 during any period covered in the "Shut Off Provision" above set forth.

The Commission is of the opinion that said agreement is in the interest of both parties and that a public hearing in the matter is not necessary, and good cause appearing therefor,

IT IS HEREBY ORDERED that the above-mentioned agreement between Pacific Gas and Electric Company and Shell Chemical

Company dated October 10, 1933, be and the same is hereby approved.

The authority herein granted shall become effective on the date hereof.

Dated at San Francisco, California, this 27th day of December, 1933.

C. C. Lenny
Leon Owens
W. J. Linn
M. B. Linn

Commissioners.