

Decision No. 28496

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PACIFIC GAS AND ELECTRIC COMPANY
for an order of the Railroad Com-
mission of the State of California
approving a certain agreement en-
tered into by and between applicant
and SHELL CHEMICAL COMPANY, dated
November 22, 1935.

Application No. 20283

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

Pacific Gas and Electric Company, a California corpora-
tion, requests approval of a special agreement dated November 22,
1935, that it has negotiated with Shell Chemical Company for the
sale and furnishing of electric power, a copy of which is marked
Exhibit "A" and attached to and made a part of the application.

This agreement supercedes and takes the place of an
existing agreement between these same parties dated October 10,
1933, which was approved by Decision No. 26681 of this Commission
and which covered the same service but at a higher rate.

Under the terms and conditions and during the term speci-
fied in the agreement dated November 22, 1935, 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 electro-chemical business upon its premises situate near the

City of Pittsburg, County of Contra Costa, State of California; said electric energy to be three phase, sixty cycle alternating current delivered and metered at approximately fifty-four thousand (54,000) volts.

Under said agreement Shell Chemical Company grants to applicant a right-of-way of approximately sixteen hundred (1600) feet over the property of the former for the construction of a fifty-four thousand (54,000) volt overhead transmission line to render the service here involved.

The term of the agreement is five (5) years from and after March 26, 1935 and thereafter until terminated by thirty (30) days' written notice by either party.

The rates and charges set forth in the agreement are as follows:

"\$2.40 per K.V.A. of monthly maximum demand.

Minimum Charge - \$9,000.00 per month.

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.

Shut-Off Provisions. -

In consideration of the low rate herein provided Consumer agrees that it will upon six weeks' notice in writing from 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 Company. 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 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 Company, all charges for power service will be discontinued and the monthly charges will be prorated for fractions of a month at the beginning and end of any such period.

"It is hereby agreed, however, that Consumer may elect to operate its aforesaid electro-chemical plant under Power Company's schedule P-5 (Rate A), a true copy of which is hereunto annexed and made a part hereof, during such period or periods when Consumer's operations at said plant are temporarily suspended or curtailed, if such suspension or curtailment is caused by economic conditions, repairs to, or enlargement of, said plant, or inevitable accident, act of God, fire, strikes, riots, war, or any other cause not within the control of Consumer; provided, however, that Consumer shall not have the right to operate under said schedule P-5 during any period or periods covered by the shut off provision hereinbefore set forth."

The rate above quoted is identical with that under which the Commission authorized Great Western Power Company to render the same class of service to Great Western Electro-Chemical Company, in its Decision No. 26223 dated September 12, 1935, and which said utility promised to offer to any other electro-chemical consumer who demanded it.

The above rate is lower than that set forth in the superceded agreement of October 10, 1933 and will result in a reduction of approximately \$18,000 per year in charges to this consumer. It will, however, result in the sale of substantial quantities of surplus power to said consumer amounting to approximately \$182,000 per year.

The agreement contains a provision that it shall at all times be subject to such changes or modifications by the Railroad Commission of California as said Commission may from time to time

direct in the exercise of its jurisdiction.

The Commission is of the opinion that the agreement dated November 22, 1935 is in the interest of all parties, that it will not constitute a burden upon the consumer, but will tend to benefit other consumers, 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 November 22, 1935, be and the same is hereby approved.

Dated at San Francisco, California, this 13th day of January, 1936.

M. B. Lewis
M. P. Lewis
Leon Whittell
W. H. ...
Frank R. ...
Commissioners.