

Decision No. 29683.

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 Agreement entered into by and between applicant and HUMBOLDT REDWOOD COMPANY, a California Corporation, dated March 15, 1937.

Application No. 21103.

BY THE COMMISSION:

OPINION AND ORDER

ORIGINAL

This is an application of Pacific Gas and Electric Company, a corporation, for an order approving a certain agreement dated March 15, 1937, made and entered into by and between Applicant and Humboldt Redwood Company, a corporation, hereafter called Humboldt Company. A copy of said agreement marked Exhibit "A" is attached to and made a part of the application.

Under the terms and conditions set forth in said agreement Applicant has agreed to sell and deliver to Humboldt Company (after meeting the requirements of Applicant's regular consumers being supplied at regular rates) and the latter has agreed to purchase from the former all the electric energy and steam (up to the maximum specified in said agreement) which shall be required in the operation of the Humboldt Company's lumber manufacturing plant located in the City of Eureka, Humboldt County, California, adjacent to Applicant's steam electric generating plant and at the rates and upon the terms and conditions in said agreement provided; and for the delivery by the Humboldt Company to Applicant of hog fuel

(a waste by-product to Humboldt Company's mill operations) in payment for electric energy and steam to be sold and delivered as aforesaid; and for the sale and delivery to Applicant by Humboldt Company, at rates provided in said agreement, of quantities of hog fuel in addition to deliveries to be made in payment for electric energy and steam to be supplied by Applicant to Humboldt Company, as aforesaid.

The aforementioned tariff rates differ from those in filed and published schedules of Applicant and authorization is sought on the premise that said rates and agreement are fair, just and reasonable to the parties thereto and the consummation of said agreement in accordance with the terms will enable Applicant to operate its steam electric generating station in City of Eureka more economically and effectively and, further, the furnishing of electric energy and/or steam to said Humboldt Company in accordance with rates and conditions imposed in said agreement of March 15, 1937, will not constitute a burden upon Applicant's other electric customers but will tend to benefit such other customers.

The aforesaid agreement is for a term of five (5) years and thereafter until terminated by either party upon six months' written notice and is to become binding, but not before approved by the Railroad Commission and when so approved shall be deemed effective for all purposes as of the date service is first supplied thereunder.

The agreement also contains a paragraph (26) setting forth the fact that said agreement shall at all times be subject to such changes or modifications by the Railroad Commission as the same may from time to time direct in the exercise of its jurisdiction and as more fully and restrictively stated in agreement.

The Commission is of the opinion that said agreement is fair and to the interest of the parties thereto, as well as to Applicant's other electric customers 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 the Humboldt Redwood Company be and the same is hereby approved.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 13<sup>th</sup> day of April, 1937.

Walter M. ...  
Leon Whelan  
Frank ...  
Ray ...  
Ray ...  
Commissioners.