

Decision No. 31006.

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 authorizing applicant to
enter into a written agreement with
The Paraffine Companies, Inc., in
words and figures as written in the
form therefor which is annexed here-
to.

Application No. 21915.

BY THE COMMISSION:

ORIGINAL

O R D E R

This is an application of the Pacific Gas and Electric Company for an order authorizing Applicant Company to enter into a proposed written agreement with The Paraffine Companies, Inc., and hereafter sometimes referred to as Customer. A copy of this agreement is attached to and made a part of the application as Exhibit "A."

Under the terms and conditions set forth in said agreement, Applicant Company has agreed to sell and deliver to Customer and the latter to purchase and receive from the former surplus gas required for fuel in the operation of Customer's high pressure boilers used primarily for industrial purposes at Customer's plant located at the foot of Powell Street, Emeryville, Alameda County, State of California, and, further, Customer has agreed to use surplus gas exclusively when available, except that Customer may use such by-product fuel as may be available from its own processes and Customer further agrees that the surplus gas delivered hereunder is not to be used for any purpose other than as fuel for the operation of said plant.

The rates to be charged for the surplus gas to be delivered are in accordance with the following:

First 7,500,000 cu.ft. per month - 14.0¢ per 1000 cu.ft.
Next 7,500,000 cu.ft. per month - 12.0¢ per 1000 cu.ft.
All excess cu.ft. per month - 11.5¢ per 1000 cu.ft.

Annual minimum payment thereunder will be twelve thousand (\$12,000.00) dollars, payable at the rate of one thousand (\$1,000.00) dollars per month.

The above rates are subject to increase or decrease on the basis of one (1) cent per thousand cubic feet for each six (6) cent increase or decrease respectively in the market price of fuel oil above or below eighty-nine cents (\$.89) per barrel f.o.b. Richmond, California, as regularly quoted by the Standard Oil Company of California, such change to be computed to the nearest one-tenth of one cent and to become effective on the next day following its first meter reading after such change shall have been made in the quoted price of fuel oil.

The agreement further provides that Customer shall not be obligated to accept any gas with a heat content less than 1100 B.t.u. per cubic foot, unless Customer so elects to do. If Customer so elects to accept gas at a lesser heat content than above named, Customer agrees to pay in accordance with the regular tariff heretofore set forth.

The agreement likewise sets forth that the Applicant Company, in undertaking the furnishing of surplus gas, does so contingent upon the understanding that the furnishing of natural gas to its regular customers is first and what residual, if any, of gas is left is available for surplus, if in the judgment of Applicant Company such latter service can be rendered without jeopardizing its ability to give service to its regular customers. Customer also agrees that upon receipt of telephone or oral notice from Applicant Company to discontinue its use of surplus gas it will immediately so discontinue to the extent and for the period specified and failing therein Applicant Company may cancel the agreement upon five (5) days' written notice to Customer.

The term of the agreement is for three years from August, 1937, meter reading and to continue thereafter from year to year; provided, however, that either party shall have the right to terminate the same at the expiration either of the initial term or any subsequent contractual year by giving the other written notice to that effect at least thirty (30) days prior to such termination date.

The proposed agreement also contains a statement that it shall at all times be subject to such changes and/or modifications as the Commission may make in the exercise of its jurisdiction.

Inasmuch as both parties to the proposed agreement are desirous of entering into the same and the Commission is of the opinion that the performance of the covenants thereof will not constitute a burden to Applicant's other customers and that a public hearing in the matter is not necessary and good cause appearing therefor:

IT IS HEREBY ORDERED that Pacific Gas and Electric Company is hereby authorized to execute an agreement with The Paraffine Companies, Inc ., in terms as set forth in Exhibit "A" attached to the application, covering the sale of surplus gas at the rates and under the conditions therein provided.

IT IS HEREBY FURTHER ORDERED that Pacific Gas and Electric Company shall file a copy of said agreement with the Commission within thirty (30) days after its execution.

Authority herein granted shall become effective on the date hereof.

Dated at San Francisco, California, this 20th day of June, 1938.

CERTIFIED AS A TRUE COPY

H. G. MATHEWSON, SECRETARY,
RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA.

William H. Hays
Leon J. Whipple
James R. Newell
Raymond A. Hays
W. L. Hays
Commissioners.