

Decision No. 31680

ORIGINAL

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
SPRECKELS SUGAR COMPANY, in words
and figures as written in the form
therefor which is annexed hereto.

Application No. 22278

BY THE COMMISSION:

OPINION AND ORDER

This is an application of Pacific Gas and Electric Company for an order authorizing Applicant Corporation to enter into a written agreement with Spreckels Sugar Company, hereinafter called Customer, wherein certain changes are made in an original written agreement between the two parties, dated June 11, 1937. The original agreement relates to the sale and delivery, if and when it shall have same available therefor, of such quantity or quantities of surplus gas as shall during the term of the agreement be required for fuel purposes in the operation of Customer's high pressure boilers (3,000 horsepower rated capacity) used primarily for industrial purposes, and only incidentally for building heating purposes, at the plant of Customer, located approximately two miles north of Woodland, Yolo County, California. A copy of the original agreement marked Exhibit "I," and a copy of the proposed amendment to the original agreement, marked Exhibit "A" of Exhibit "II" are attached to and made a part of the application.

The proposed agreement would provide changes in the original contract, as set forth below:

Section 6, paragraph 3 as set forth on page 4 of said agreement, bearing date 11th day of June, 1937, to be amended to read as follows, to wit:

"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 one and 15/100 dollars (\$1.15) 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 all regular meter readings taken on and after the 30th day following such change in the quoted price of fuel oil, provided, however, the rates for the gas sold hereunder shall not be subject to any decrease in excess of four and five-tenths (4.5) cents per thousand cubic feet during the balance of the term of this contract."

The modifications of the above mentioned paragraph would become effective from and after June 1, 1938, and would remain in full force and effect in accordance with the terms and conditions of said agreement bearing date 11th day of June, 1937. It would be further understood and agreed that the remaining provisions set forth in said agreement would continue in full force and effect.

The amended paragraph of said agreement bearing date 11th day of June, 1937, originally provided that the rates for the gas sold thereunder would not be subject to any decrease in excess of two (2) cents per thousand (1000) cubic feet during the term of the contract on account of any change in the market price of fuel oil as regularly quoted by the Standard Oil Company of California at Richmond, California.

The amended agreement also contains the usual provision that said agreement shall at all times be subject to such changes

and/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 having considered the request of the Applicant, and it being of the opinion that the application should be granted, that a public hearing in the matter is not necessary, and good cause appearing therefor,

IT IS ORDERED that Pacific Gas and Electric Company is hereby authorized to amend its agreement, bearing date 11th of June, 1937, with Spreckels Sugar Company, a copy of which is marked Exhibit "I" and attached to and made a part of the application, in the manner proposed and set forth in Exhibit "A" of Exhibit "II" a copy of which also is attached to the application.

Pacific Gas and Electric Company shall file two (2) copies of the executed agreement with the Commission within thirty (30) days after its execution.

Authority herein granted shall become effective as of the date hereof.

Dated at San Francisco, California, this 23^d day of January, 1939.

James R. Brown
Ray L. King
W. L. M.
Justice J. C. Cramer
Commissioners