

Decision No. 22802

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 B. O. RHODES and A. "Cy" BOUS, co-partnership, doing business as VALLEY TIRE SERVICE COMPANY, in words and figures as written in the form therefor which is annexed hereto.

APPLICATION NO. 22802

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

In this application Pacific Gas and Electric Company, hereafter referred to as Applicant, requests an Order authorizing it to enter into a written agreement with B. O. Rhodes and A. "Cy" Bous, doing business as Valley Tire Service Company, hereafter called Customer, for the sale and delivery of such quantities of gas as shall during the term of the agreement be required for fuel purposes in the operation of Customer's auto tire retreading apparatus located at 1715 California Street, City of Redding, Shasta County, California. A copy of the proposed agreement marked Exhibit "A" is attached to and made a part of the application.

Some of the more important features and conditions of said proposed agreement may be set forth:

Customer has agreed to use gas as the exclusive fuel in the operation of said auto tire retreading apparatus and further, that all gas purchased thereunder shall be used exclusively for auto tire retreading purposes and shall not be used for cooking or building heating purposes.

The rates to be charged and paid are in accordance with the following:

First 100,000 cu.ft. per month - \$0.80 per 1000 cu.ft.
All excess cu.ft. per month - \$0.70 per 1000 cu.ft.

Minimum Monthly Charge:

For the period from regular meter reading date nearest November 1st to that nearest May 1st\$1.00 per month.

For the period from regular meter reading date nearest May 1st to that nearest November 1st....\$50.00 per month.

The above rates are subject to increase on the basis of one (1) cent per thousand cubic feet for each three (3) cent per barrel increase in the cost of fuel oil above \$1.6589 per barrel delivered to Pacific's Redding gas plant, the change to be computed to the nearest cent and to become effective on all regular meter readings taken on and after the 30th day following such change in the price of oil.

The term of the proposed agreement is for a period of three (3) years from and after the regular meter reading date in April, 1939, and shall continue thereafter from year to year, provided, however, that either party hereto shall have the right to terminate said agreement at the expiration of the initial term thereof or any subsequent contractual year by giving the other written notice to that effect at least thirty (30) days prior to such termination date.

It is estimated by Applicant that the annual usage of gas under the proposed contract will be 1,200,000 cubic feet and that the annual gross revenue to be received therefrom will approximate \$960.

The proposed 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.

Under the terms of the agreement Customer reserves the option to substitute at any time during the life of the agreement, by making written request therefor, in place of the rates set forth above, those set forth in Applicant's Schedule G-58, or those set forth in any other schedule hereafter regularly established and approved in place of said Schedule G-58, which substituted rates shall thereupon be made retroactive to the beginning of the current contractual year during which such option is exercised, and the schedule setting forth said substituted rate or the schedule thereafter established and approved in place thereof shall continue to apply thereafter for the balance of the life of said agreement.

Applicant alleges that while the rates contained in the proposed agreement are lower than those heretofore available under its regularly published schedules, such rates are justifiable due to the competitive situation between oil and gas in its manufactured gas areas. Additional justification for the rates set forth in the proposed agreement is found in the fact that Customer's greatest usage of gas occurs during the off-peak summer months.

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 other good cause appearing therefor,

IT IS ORDERED that Pacific Gas and Electric Company is hereby authorized to enter into a written agreement with B. O. Rhodes and A. "Cy" Bous, doing business as Valley Tire Service Company, for the sale and delivery of such quantity or quantities of gas as shall be required in the operation of Customer's auto tire retreading apparatus at its plant located at 1715 California Street, Redding, California, and to charge said B. O. Rhodes and A. "Cy" Bous therefor at the rates specified in the said proposed agreement attached as Exhibit "A" to the application, and under the terms and conditions set forth in said agreement; provided, however, and it is a condition of the authorization hereby granted, that Pacific Gas and Electric Company shall advise the Commission on or before the date when said agreement shall terminate, and/or before the end of each year of extension thereof, whether said agreement will remain in effect for the succeeding twelve (12) months' period, and provided further that the authority hereby granted shall not be taken as in any way limiting the Commission's authority to at any time, by appropriate Order, modify or set aside such agreement.

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 19th day of
August, 1939.

Robert W. [unclear]
Francis P. [unclear]

[unclear]
[unclear]

Justus J. [unclear]
Commissioners

