

DECISION NO. 52344.

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 PERMANENTE CORPORATION, in words and figures as written in the form therefor which is annexed hereto.

ORIGINAL

Application No. 22959.

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 The Permanente Corporation (hereinafter sometimes called Customer), relating to the sale, delivery and use of surplus natural gas. A copy of said proposed agreement, marked Exhibit "A," is attached to and made a part of the application. Some of the more important features and conditions of the proposed agreement may be here in part set forth.

Applicant has agreed to sell and deliver to Customer, when available, and Customer has agreed to purchase and receive such quantities of surplus gas as shall be available and as required for fuel purposes in the operation of Customer's cement and lime kilns, as well as in Customer's low pressure boilers at its cement plant located in the County of Santa Clara, State of California.

The rate to be paid by Customer each month for the surplus gas delivered is as here set forth:

Fifteen and seven-tenths (15.7) cents per thousand cubic feet for the first thirty million (30,000,000) cubic feet;

Eleven and seven-tenths (11.7) cents per thousand cubic feet for a quantity in excess thereof equivalent to the total quantity used by the Customer between 8:00 P.M. and 6:00 A.M. during all nights of said month (as indicated by meter readings showing such consumption); and

Thirteen and seven-tenths (13.7) cents per thousand cubic feet for all in excess of the foregoing.

The minimum annual payment is normally fixed at \$60,000 and the above rates are subject to adjustment, based upon the price of fuel oil. Further special conditions relate principally to payment under discontinuance of service.

The initial term of proposed agreement is for a period of five (5) years from and after date gas is first delivered, and thereafter from year to year until terminated by either party, upon sixty (60) days written notice. The agreement also provides under what conditions the Customer may terminate said agreement at the expiration of any year prior to the initial term thereof.

The agreement further provides that while Applicant will install the necessary mains and equipment to bring gas to point of delivery, Customer is to advance the cost of such mains and equipment. The advance thus made by Customer is subject to refund over a period not exceeding five (5) years, and as more fully set forth in said proposed agreement. The agreement also contains the usual provision as provided in General Order No. 53, relating to the Commission's continuing authority thereover.

The Commission having considered the request of Applicant and it being of the opinion that 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 enter into that certain proposed agreement with The Permanente Corporation set forth as Exhibit "A" attached to the within application and to render gas service to said The Permanente Corporation at the rates and under the terms and conditions in said agreement.

The authority herein granted shall become effective as of the date of this Order.

Dated at San Francisco, California, this 19th day of September, 1939.

Raymond J. ...  
Frank ...  
Ray H. ...  
H. B. ...  
Justus F. ...  
Commissioners.