

Decision No. 32362

## 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 Rail-  
 road Commission of the State of Cali-  
 fornia authorizing applicant to enter  
 into a written agreement with HOLLY  
 SUGAR CORPORATION, in words and figures  
 as written in the form therefor which  
 is annexed hereto.

(Tracy)

**ORIGINAL**

Application No. 22945

BY THE COMMISSION:

OPINION AND ORDER

This is an application of Pacific Gas and Electric Com-  
 pany for an order authorizing applicant corporation to enter into  
 a written agreement with Holly Sugar Corporation, hereinafter  
 called Customer, relating to the sale and delivery, if and when  
 it shall have same available therefor, of such quantity or quan-  
 tities of surplus gas as shall during the term of the agreement  
 be required for fuel purposes in the operation of Customer's  
 dryers and high pressure boilers (2270 h.p. rated capacity) used  
 primarily for industrial purposes and only incidently for building  
 heating purposes at its plant located at Tracy, California. 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  
 said proposed agreement may be set forth:

If and when same shall be available therefor, Customer  
 will use surplus gas as the exclusive fuel in the operation of  
 said plant.

The proposed agreement shall supersede the agreement between the two parties dated June 23, 1936.

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

Twelve and seven-tenths (12.7) cents per thousand cubic feet for surplus gas supplied from the gas fields in southern California having an average monthly heating value between 1100-1200 British Thermal Units; and

Ten and five-tenths (10.5) cents per thousand cubic feet for surplus gas supplied from the gas fields in northern California having an average monthly heating value between 900-1000 British Thermal Units.

The above rates are subject to adjustment based upon the price of fuel oil. An annual minimum payment of \$60,000.00 is provided for, payable at the rate of \$5,000.00 per month provided, however, that said annual minimum shall be reduced \$5,000.00 for each month during which Customer does not conduct its beet slicing operations.

It is estimated that the annual usage of natural gas by Customer will be 560,250,000 cubic feet and that the annual gross revenue to be received from the supply of surplus gas to Customer under the proposed agreement will be approximately \$58,855.00.

The term of this proposed agreement is for three (3) years from and after July 1, 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 said termination date.

The agreement also contains the usual provisions as provided in General Order No. 53 relating to the Commission's continuing authority thereover.

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 enter into that certain proposed agreement with Holly Sugar Corporation set forth as Exhibit "A" attached to the within application and to render gas service to said Holly Sugar Corporation at the rates and under the terms and conditions set forth in said agreement.

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

Dated at Los Angeles, California this 26<sup>th</sup> day of September, 1939.

R. A. [Signature]

[Signature]  
[Signature]  
Justice J. C. [Signature]  
Commissioners