

Decision No. 25261

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

Application No. 25261

ORIGINAL

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 Shell Chemical Company, a Delaware corporation, for the sale and furnishing of electric power. A copy of the proposed agreement marked Exhibit "A" is attached to and made a part of the application.

This proposed agreement supersedes and takes the place of an existing agreement between these same parties dated November 22, 1935 which was approved by Decision No. 28496 of this Commission.

Under the terms of the proposed agreement Applicant agrees to sell and deliver three phase, 60 cycle, alternating current possessing, at the option of Applicant, an approximate electromotive force at the point of delivery of either 54,000 volts or 110,000 volts. The rates to be charged for such delivery are in accordance with the following:

Demand

For kilovolt-amperes of monthly maximum demand occurring in any contractual year:-

First 85,000.....\$2.40 per kilovolt-ampere
All in excess..... 2.00 per kilovolt-ampere

Minimum Charge:.....\$12,000.00 per month

The rate herein quoted will result in a saving to Shell Chemical Company, inasmuch as the payments under the existing contract of November 22, 1935, provide for a straight payment of \$2.40 per kilovolt-ampere.⁽¹⁾ The minimum charge requirement, however, has been increased from \$9,000 to \$12,000 per month.

In other respects the proposed agreement follows closely the provisions of the existing agreement dated November 22, 1935 including the provision for discontinuance of delivery of power during a consecutive period not exceeding three months in any one year at Applicant's option upon six weeks written notice to Shell Chemical Company; the period of discontinuance to begin at any time between June 1 and August 31. Applicant states that under the proposed agreement and because of enlarged plant operations of said Shell Chemical Company that Applicant will during the first year of service under said proposed agreement receive from Shell Chemical Company for electric service the approximate sum of \$300,400 which sum is approximately \$90,400 in excess of the revenue received by Applicant for electric service furnished to Shell Chemical Company during the twelve month period ended with the November 1939 bill.

(1) Applicant states that the accumulative total of monthly maximum demands during the twelve months' period ending with the November 1939 bill was 87,504 kilovolt-amperes. Because of the enlargement of the plant, this accumulative monthly demand should be materially greater in the future.

The term of the proposed agreement is for a period five years, dating from the signing of the agreement, and it is further provided that it shall continue in effect thereafter until terminated upon thirty days' written notice by either party.

The agreement contains a provision that it shall at all times be subject to such changes or modifications by the Railroad Commission of the State 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, therefore

IT IS ORDERED that Pacific Gas and Electric Company is hereby authorized to enter into that certain proposed agreement with Shell Chemical Company, set forth as Exhibit "A" attached to the within application, and to render electric service to said Shell Chemical Company at the rates and under the terms and conditions set forth in said agreement, provided, however, that the authority herein granted shall not be taken as limiting the Commission's authority to modify or set aside such agreement by appropriate order.

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

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

Dated at Los Angeles, California, this 26th day of March, 1940.

Raymond L. Davis
Raymond L. Davis
Raymond L. Davis
Raymond L. Davis
Justus J. Carver
Commissioners.