

Decision No. 23691

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 AMERICAN CRYSTAL SUGAR COMPANY, relating to the sale by the former and purchase by the latter for use in its plant near Clarksburg, Yolo County, California, of surplus natural gas.

ORIGINAL

Application No. 23691

BY THE COMMISSION:

OPINION AND ORDER

In this application Pacific Gas and Electric Company, hereinafter sometimes referred to as Applicant, requests authority to enter into a written agreement with American Crystal Sugar Company, hereinafter sometimes called Customer, relating to the sale and delivery of surplus natural gas as shall during the term of the agreement be required for fuel purposes in the operation of Customer's high-pressure boilers (2,420 h.p. rated capacity), at its plant located approximately one mile north of the City of Clarksburg, Yolo 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. Applicant agrees, if and when it shall have surplus gas available, to sell and deliver to Customer, and the latter agrees to purchase from the former, such quantities of the same as shall during the term of the agreement be required primarily for industrial fuel purposes and only incidentally for building heating purposes

in Customer's plant. Customer further agrees to use surplus gas as the exclusive fuel in the operation of said plant.

The proposed agreement shall supersede the agreement between Applicant and the Amalgamated Sugar Company dated February 5, 1935, said agreement having been assigned to Customer on August 5, 1936, and having expired on June 13, 1940.

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

First 30,000,000 cu. ft. per month	17.0¢ per 1,000 cu. ft.
All gas in excess of 30,000,000 cu. ft., but not exceeding a quantity equivalent to the total quantity used between 8:00 P.M. and 6:00 A.M. during all nights of said month	12.0¢ per 1,000 cu. ft.
All in excess of the foregoing	15.0¢ per 1,000 cu. ft.

The above rates are subject to adjustment based upon the price of fuel oil and an annual minimum payment of \$60,000 payable at the rate of \$5,000 per month. The agreement also provides that the minimum charge shall be reduced \$5,000 for each month that Customer does not conduct its "beet-slicing" operations.

The term of the proposed agreement is for a period of three (3) years from and after June 13, 1940 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 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 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 American Crystal Sugar Company, set forth as Exhibit "A" attached to the within application, and to render surplus natural gas service to said American Crystal Sugar 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 San Francisco, California, this 27th day of October, 1940.

Ray L. Riley
Frank R. Doherty
Walter H. Doherty
W. H. Doherty
Justus J. Cranner
(Commissioners)