

Decision No. 23713

## 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 PARAFFINE COMPANIES, INC., relating to the sale by the former and purchase by the latter for use in its plant at Emeryville, California, of surplus natural gas.

Application No. 23713

ORIGINAL

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 The Paraffine Companies, Inc., 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 (1,528 h.p. rated capacity) at its plant located at the foot of Powell Street, Emeryville, 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 the two parties dated September 8, 1935, which expired on August 25, 1940.

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

First 7,500,000 cu. ft. per month	14.0¢ per 1,000 cu. ft.
Next 7,500,000 cu. ft. per month	12.0¢ per 1,000 cu. ft.
All excess cu. ft. per month	11.5¢ 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 \$12,000.00 payable at the rate of \$1,000.00 per month.

The term of the proposed agreement is for a period of three (3) years from and after August 25, 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

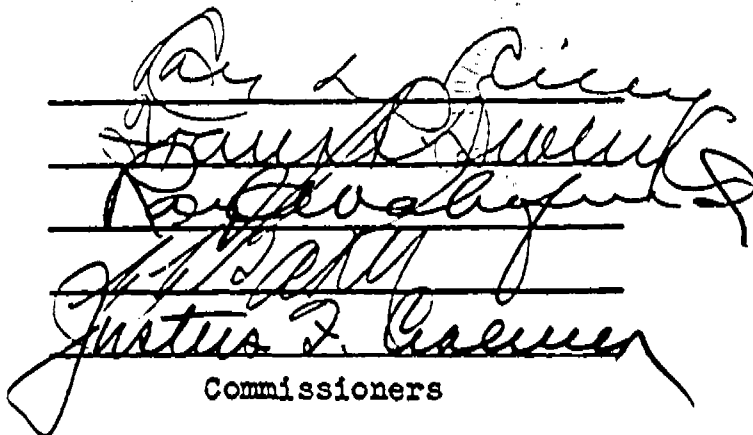
IT IS ORDERED that Pacific Gas and Electric Company is hereby authorized to enter into that certain proposed agreement with The Paraffine Companies, Inc., set forth as Exhibit "A"

attached to the within application, and to render surplus natural gas service to said The Paraffine Companies, Inc. 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 5<sup>th</sup> day of October, 1940.

  
Commissioners