

Decision No. 24067

## 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 CALIFORNIA BARREL COMPANY, LTD., relating to the sale by the former and purchase by the latter of electric energy for use at its plant at Arcata, Humboldt County, California, etc.

**ORIGINAL**

Application No. 24067

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 California Barrel Company, Ltd., hereinafter sometimes called Customer, relating to the sale and delivery of electric energy as shall during the term of the agreement be required by Customer for the operation of its electrical machinery and apparatus and in the conduct of its business on its premises located in the City of Arcata, Humboldt County. Provision is also made in the proposed agreement for the sale of electric energy to Applicant by Customer at certain times and under certain conditions. A copy of the proposed agreement marked Exhibit "A" is attached to and made a part of the application.

In the course of its operations Customer generates a portion of its electric energy requirements and at intervals supplements this with electric energy purchased from Applicant. Under the terms and conditions of the proposed agreement,

Applicant agrees to sell and deliver to Customer, and the latter agrees to purchase from the former, such quantities of electric energy as are required from time to time for the operation of its electrical machinery and apparatus and the conduct of its business. Applicant is obligated to supply electric energy to Customer only when the former shall have power and capacity available beyond the requirements of all of its electric customers in its Humboldt Division and, further, Customer shall not impose a maximum demand on Applicant's electric facilities in excess of 450 kilovolt amperes.

The proposed agreement shall supersede the one now existing between the two parties dated December 10, 1936 and which was authorized by this Commission by Decision No. 29550 in Application No. 20945.

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

Energy Charge: One and one-quarter cents  
(\$0.0125) per kilowatt-hour.

Minimum Charge: Three hundred dollars (\$300.00)  
per month.

Electric energy to be sold at the above rates is understood to be 3-phase, 60-cycle, alternating current delivered at approximately 220 volts, but metered at 11,000 volts.

The proposed agreement further provides for the supply by Customer to Applicant of alternating current during periods of emergency, when such energy is available over Customer's own requirements, and Applicant has agreed to pay for the same at the following rate:

Energy Charge: One-half cent (\$.005) per kilowatt-hour  
Demand: Maximum, when available, 450 kva

It is understood, however, by the two parties that the Customer is not obligated to supply energy to Applicant during such times as Customer's factory is not in operation.

The term of the proposed agreement is for a period of five (5) years from and after the date of execution thereof and shall continue thereafter from year to year, provided, however, that either party thereto shall have the right to terminate said agreement by giving the other party thirty days' written notice.

The agreement contains 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 energy rate to be charged Customer in the proposed agreement is lower and the minimum charge is higher than that contained in the existing agreement and is also different and generally lower than rates available under filed tariffs of Applicant.

Applicant represents that due to low generating cost of Customer, because of the availability of waste fuel and, further, because of the reciprocal nature of the agreement, the special rate is necessary and that it is not unreasonable and, further, the performance of the aforesaid agreement will not result in a burden to its other customers but, to the contrary, will tend to benefit them.

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 California Barrel Company, Ltd., set forth as Exhibit "A" attached to the within application, and to render electric service to said California Barrel Company, Ltd., and further to purchase electric service from said California Barrel Company, Ltd., all 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 (2) copies of the agreement with the Commission within thirty days after its execution.

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

Dated at San Francisco, California, this 6<sup>th</sup> day of May, 1941.

[Handwritten Signature]

[Handwritten Signature]

Francis R. Havens

Commissioners