

Decision No. 35989

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of  
 PACIFIC GAS AND ELECTRIC COMPANY for  
 an order of the Railroad Commission  
 authorizing applicant (a) to cancel  
 and withdraw its filed Schedule G-19  
 (Revised Sheet C.R.C. No. 517-G) and  
 (b) to enter into a written agreement  
 with the CITY OF PALO ALTO in words  
 and figures contained in the form  
 therefor which is hereunto annexed,  
 marked Exhibit "A" and made a part  
 hereof.

ORIGINAL

Application No. 25343

BY THE COMMISSION:

OPINION AND ORDER

In this application Pacific Gas and Electric Company, hereinafter sometimes referred to as Applicant, requests authority to cancel and withdraw its filed gas rate Schedule G-19 (Revised Sheet C.R.C. 517-G) covering the sale of natural gas at wholesale to the City of Palo Alto. Also Applicant requests authority to enter into a written agreement with the City of Palo Alto, hereinafter sometimes referred to as City, relating to the sale and delivery of natural gas to be used by City for its own municipal purposes and for distribution by it to its own consumers. A copy of the proposed agreement marked Exhibit "A" is attached to and made a part of the application.

In justification for canceling and withdrawing its filed gas rate Schedule G-19, Applicant points out that at this time it is not furnishing or supplying gas service to City under said Schedule G-19 nor has it done so for the past several years. Applicant further alleges that the rates, terms and conditions of said schedule are not now, and have not for the past several years

been appropriate or proper rates, terms or conditions to be enforced or made applicable to the gas service now supplied or hereafter to be supplied by Applicant to City.

Some of the more important features and conditions of the aforesaid agreement may be here set forth.

The agreement is to be effective as of April 23, 1942, and shall be and remain in full force and effect to and including April 22, 1947 and from contract year to contract year thereafter until either party shall terminate same by giving other written notice in accordance with the terms set forth therein.

The City is to maintain its existing butane-air gas mixing plant in good operating condition at its own risk and expense. The said mixing plant is to be operated only if and when the City is requested to do so by Applicant's Gas Control. It is further stipulated that said mixing plant shall not be required to operate except at such times as Applicant shall curtail service of surplus gas in its San Francisco and San Jose divisions in order to assure adequate natural gas and transmission capacity for supplying its regular gas customers.

The rate portion of the agreement provides that the City shall pay Applicant \$0.262 per thousand cubic feet for all gas delivered during the primary period of the agreement. For said price the gas shall have an average monthly heating value of 1100 B.t.u. per cubic foot (determined as the average of daily heating value tests on a "dry basis"), with a maximum allowable variation in the monthly average of 35 B.t.u. above or below 1100 B.t.u. The rate further provides that if the actual variation exceeds 35 B.t.u. for two consecutive calendar months the foregoing rate will be increased or decreased to conform to a new average heating value, adjusted in steps of 50 B.t.u. from the base of 1100 B.t.u. Said rate will be increased or decreased 7.86 mills for each such 50 B.t.u. step.

The agreement also 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 this Commission may from time to time direct in the exercise of its jurisdiction.

A public hearing being deemed unnecessary and good cause appearing:

IT IS HEREBY ORDERED that Pacific Gas and Electric Company may cancel and withdraw its gas rate Schedule G-19 (Revised Sheet C.R.C. 517-G).

IT IS HEREBY FURTHER ORDERED that Pacific Gas and Electric Company is hereby authorized to enter into that certain agreement with City of Palo Alto attached to this application and marked Exhibit "A" and to render natural gas service to the City at the rates and under the terms and conditions set forth in said agreement.

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

The authority herein granted shall become effective as of the date hereof.

Dated at San Francisco, California, this 1<sup>st</sup> day of <sup>December</sup> ~~November~~,

1942.

Justus J. Casper  
M. B. Baker  
Francis K. Havens  
Richard H. ...  
 Commissioners