

Decision No. 37087

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 Com-
mission of the State of California
approving a certain agreement entered
into by and between applicant and
HUMBOLDT CREAMERY ASSOCIATION, dated
February 18, 1944.
(Gas Service)

ORIGINAL

Application No. 26114

BY THE COMMISSION:

OPINION AND ORDER

In this application, Pacific Gas and Electric Company asks the Commission's approval of an agreement with the Humboldt Creamery Association dated February 18, 1944, covering the sale of natural gas to the Association on an interruptible basis to be used primarily for fuel purposes in the operation of high pressure boilers and, incidentally, for limited space heating purposes in its plant at Fernbridge, Humboldt County. A copy of the agreement marked Exhibit "A" is attached to the application.

Applicant has been supplying natural gas to the Association under contract at a special rate since the introduction of natural gas in that area. During the development period when the supply was very limited, the Association was the only customer and was supplied by means of a gas main laid directly from the wells by applicant. Subsequently, on further development of supply, natural gas was substituted for manufactured gas in the city of Eureka and vicinity and appropriate rates were established for natural gas. The proposed agreement, if authorized, will supersede the existing contract.

Under the proposed agreement, the Association will take gas on an interruptible basis under applicant's filed Schedule GI-⁶⁰~~64~~. The term of the *NSM*

agreement is three years from and after January 1, 1944 and thereafter from year to year until terminated by either party on written notice given to the other at least thirty days prior to the terminal date of the initial term or of any subsequent contractual year.

It is also provided in the agreement that certain burner equipment in the plant, which was installed by applicant at the time the Association undertook to operate by means of natural gas, shall become and remain the property of the Association at the end of the initial term provided applicant's gross receipts under the agreement shall have exceeded the sum of Twenty Thousand Two Hundred and Fifty Dollars (\$20,250.00).

The proposed agreement provides that it shall at all times be subject to such changes or modifications as the Railroad Commission may from time to time direct.

The Commission has considered the application of the Pacific Gas and Electric Company and is of the opinion that the requested authority should be granted and that a public hearing in the matter is not necessary; wherefore, good cause appearing,

IT IS ORDERED that Pacific Gas and Electric Company is hereby authorized to supply interruptible gas to the Humboldt Creamery Association at the rates and under the terms and conditions set forth in the agreement marked Exhibit "A" and attached to the application, and otherwise to consummate said proposed agreement in accordance with its terms and conditions.

IT IS FURTHER ORDERED that within thirty days after receipt of this authorization Pacific Gas and Electric Company shall file with this Commission three copies of the executed agreement.

The effective date of this order shall be the date hereof.

Dated at Los Angeles, California, this 31st day of May, 1944.

Richard L. Baker
Justice P. Cassen
James C. ...

Commissioners