

Decision No. 38211

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

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 SHELL CHEMICAL COMPANY, in words and figures as written in the form therefor which is annexed hereto.
(Electric)

Application No. 23261

BY THE COMMISSION:

FIRST SUPPLEMENTAL OPINION AND ORDER

Pacific Gas and Electric Company, hereinafter referred to as Company, makes application in this proceeding to enter into a supplemental agreement with Shell Union Oil Corporation, Shell Chemical Division, hereinafter referred to as Shell. A copy of said supplemental agreement is attached to and made a part of the application as Exhibit "1."

This agreement dated May 24, 1945, according to its terms supersedes a previous agreement between the parties dated May 26, 1940, which has been in effect. The terms and conditions of said new agreement will, with certain exceptions, be substantially the same as those contained in said existing agreement, the changes made therein being as follows:

The new agreement permits Shell to use steam for purposes stated in the existing agreement, as well as for dryers and such services for which steam must be used for safety or process necessity. The new agreement, which became effective on May 24, 1945, will continue in force until March 25, 1950 and thereafter from year to year unless terminated by either party by giving not less than twelve (12) months' prior written notice.

Paragraph 10 of the new agreement is a new provision and reads as follows:

"If at any time during the term hereof Pacific shall enter into an agreement, or modify an existing agreement, with any other customer for the sale of electric energy thereunder, wherein the conditions shall be substantially the same as those set forth herein, except that the charges and terms shall be more favorable than those which Customer enjoys hereunder, Pacific shall thereupon extend said more favorable terms to Customer hereunder."

During the five-year period from March, 1940 to 1945 inclusive, the Company received the total sum of \$1,133,649.23 from Shell for electric service furnished under said existing agreement and an average gross revenue for the said five-year period of \$226,729.85. It is represented that the consummation of the new agreement will not impose any burden upon Pacific or any other customers, but will tend to be advantageous to other customers.

The supplemental agreement provides for this Commission's continuing jurisdiction as required by General Order No. 96.

The Commission having considered the application and the allegations in support thereof made by the Applicant, and being of the opinion that the application should be granted, that a public hearing in the matter is not necessary, and sufficient cause appearing, therefore,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be, and it is hereby authorized to carry out the terms and the conditions of that certain supplemental agreement dated May 24, 1945, with the Shell Company, to render the service therein called for and to charge for and collect the rates therein specified.

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

Dated at San Francisco California, this 12th day of September, 1945.

David Anderson
Justin J. Quener
Francis J. [unclear]
Earl Russell
(Commissioners)