

Decision No. 38826

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)
of the State of California authorizing)
applicant to consummate in accordance)
with its terms an electric service)
contract with HAROLD R. CRANE,)
WALTER H. BEANE and ROBERT GRIMMETT,)
a co-partnership doing business under)
the fictitious name of CRANE TIMBER)
COMPANY, dated February 19, 1946.)

Application No. 27335

ORIGINAL

OPINION AND ORDER

In this application, Pacific Gas and Electric Company, hereinafter referred to as Applicant, requests authority to consummate a contract with Crane Timber Company relating to the sale and delivery of electric energy to the latter's lumber mill in the unincorporated town of Paskenta, County of Tehama, California. Copy of the contract is marked Exhibit A and is attached to and made a part of the application.

Under the terms of the contract, Applicant is to sell and deliver three-phase 60-cycle alternating current at a nominal voltage of 480 volts, and Crane Timber Company is to pay for such electricity and service in accordance with Applicant's filed rate Schedule P-15 except, however, the minimum payment shall not be less than \$3,000 per year for the first six years from and after the date of completion of installation of Applicant's electric facilities to provide this service. Crane Timber Company also agrees that the rated capacity of the electrical machinery and apparatus to be operated under the contract shall at no time be less than 450 horsepower.

The application for authorization to consummate said contract is made pursuant to the provisions of Section 17(b) of the Public Utilities Act and Section X of the Commission's General Order No. 96, and for the reason that in lieu of collecting an "up and down" charge, estimated to be approximately \$18,000 for the necessary equipment, from Crane Timber Company because of the

rather doubtful permanency of the business involved, a deviation from Applicant's regular filed tariff schedules has been made, in that the minimum payment of \$3,000 per year has been guaranteed by the customer for the first six years of the term of the contract. Applicant alleges that said contract is warranted in the facts and circumstances obtaining; that all of the terms and conditions thereof are just and reasonable to the parties thereto; that Applicant and Crane Timber Company are desirous of performing the covenants thereof; and that the estimated annual gross revenue expected from the supply of electricity to Crane Timber Company will be approximately \$6,000 to \$7,000 per year. The agreement contains a provision that it should not be binding on either party until approval shall have been granted by the Railroad Commission and also a provision that the agreement shall at all times be subject to such changes or modifications by the Railroad Commission of California as said Commission may from time to time direct in the exercise of its jurisdiction.

The Commission having considered the petition and being of the opinion that the application shall be granted and 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 consummate that certain agreement with Harold R. Crane, Walter H. Beame, and Robert Grimmett, a co-partnership doing business under the fictitious name of Crane Timber Company, dated February 19, 1946, copy of which is marked Exhibit A and attached to the application; to install the facilities and render the service therein specified; and to charge and collect the rates and charges therein set forth.

The effective date of this Order is the date hereof.

Dated at San Francisco, California, this 9th day of April 1946.

Harold Cudde
Justus F. Cramer
Frederic Lane
Leah A. Pierce
Harold H. Huls
Commissioners.