

Decision No. 39450

## 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 granting and conferring upon applicant all necessary permission and authority to consummate, in accordance with its terms, a written agreement with BETHLEHEM PACIFIC COAST STEEL CORPORATION, dated July 1, 1946, a true copy whereof is annexed hereto as Exhibit "A".

ORIGINAL

Application No. 27750

OPINION AND ORDER

In this application Pacific Gas and Electric Company requests authority to enter into a written agreement with Bethlehem Pacific Coast Steel Corporation (formerly Bethlehem Steel Company) for the furnishing of firm and surplus natural gas service to the latter's South San Francisco plant. A copy of the proposed agreement is attached to the application as Exhibit "A".

The agreement provides that the utility will supply up to an hourly maximum of 321,000 cubic feet of gas to be billed in accordance with the utility's filed surplus schedule No. GS-1, such maximum volume being predicated on the safe hourly maximum burning capacity of equipment billed under surplus schedules and installed prior to September 25, 1942. For firm usage, currently estimated to have a maximum burning capacity of 20,000 cubic feet of gas per hour and deemed to be 6,000,000 cubic feet per month, the utility will render bills in accordance with its filed firm industrial schedule No. G-40. All usage in excess of the volumes indicated above will be billed under schedule G-40.

The service to be rendered under this agreement deviates from the conditions of filed schedules in that both types of service are to be supplied through one meter and plant piping system, and further that the use of one (1).

barrel of fuel oil for each 10,000 cubic feet of natural gas will be permitted in the operation of five 50-ton open hearth steel melting furnaces.

It is further specified in the agreement that the estimate of firm requirements (6,000,000 cubic feet per month) will be subject to review and modification from time to time. In this connection it is deemed appropriate that such reviews be made at six-month intervals.

The proposed agreement is dated July 1, 1946 and is for a term of one (1) year from February 25, 1946, continuing from year to year thereafter, subject to termination on written notice by either party given at least thirty (30) days prior to the end of any contract year. The proposed agreement is to supersede one dated August 15, 1941, attached to the application as Exhibit "B".

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

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 Bethlehem Pacific Coast Steel Corporation, set forth as Exhibit "A" attached to the application, and to render the service covered in the agreement 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.

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

Dated at Los Angeles, California, this 1<sup>st</sup> day of

October, 1946.

Harold Hule  
Justice F. Calver  
John W. Cleary  
Commissioners