

Decision No. 40281

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the application of
 PACIFIC GAS AND ELECTRIC COMPANY, a
 California corporation, and THE DOW
 CHEMICAL COMPANY, a Michigan corpora-
 tion, for an order of the Public
 Utilities Commission of the State of
 California authorizing applicants to
 enter into written agreements in words
 and figures as written in the forms
 therefor which are hereunto annexed.

Application No. 23484
 (First Supplemental)

OPINION AND ORDER IN THE
FIRST SUPPLEMENTAL APPLICATION

In this first supplemental application, (Pacific Gas and Electric Company¹ requests authority to make effective an amendment and modification of an existing electric service contract between Pacific and The Dow Chemical Company¹.) Said contract was heretofore submitted in the original application herein, and authorized by the Commission in its Decision No. 33171, dated June 4, 1940.

The original contract between Pacific and Dow contemplated service of electric energy by Pacific under special rates more favorable than those available on open tariff schedules. These rates were proposed because the service was considered to be of a surplus nature and it appeared that the consummation of such an agreement would permit Pacific to make more beneficial use of its facilities and resources. Such a contract would likewise permit delivery of substantial quantities of power to Dow at rates more favorable than those available on a firm basis.

The original contract contained a provision which permitted Pacific on six (6) weeks' prior written notice to discontinue service to Dow once during the year for a maximum period of three months commencing any time between June 1 and August 31. Other provisions in the original contract provided means for adjusting the maximum monthly Kva demand upon which charges were predicated to reflect properly the periods in which service was discontinued.

¹These companies will be referred to as Pacific and Dow, respectively.

The amendment to the original contract, presented as Exhibit 3 herein, substitutes for the complete shutdown provision of the original contract, a flexible shutdown provision which permits Pacific to curtail or discontinue service to Dow if in its judgment such curtailment is necessary. Such curtailment may be made immediately in cases of emergency, not reasonably predictable by Pacific, or otherwise upon three hours' notice if the curtailment will not exceed 25% of Dow's maximum demand, or upon 16 hours' notice if the curtailment exceeds said 25%. Notice, however, will be given as far in advance as possible and the amount and duration of curtailment will be specified in so far as possible. No limit is placed upon the number of times curtailment or discontinuance may be invoked during the year except that the equivalent total hours discontinuance of service may not exceed one quarter of the total number of hours of any one year. Further provisions in the amendment modify the definition of maximum demand in order to reflect properly the change in method of discontinuance or curtailment.

Pacific urges that the amendment of the contract be authorized in view of the greater flexibility Pacific will have in adapting the customers demands and usages to the ability of the Pacific's system to handle the load and further alleges that the new arrangement will be of benefit to Dow since complete discontinuance of service for prescheduled periods of time will no longer be necessary.

Having considered the application in which it appears that the proposed amendment and modification of the contract between Pacific and Dow heretofore authorized by Decision No. 33171 is acceptable to both parties and being of the opinion that it will have no adverse effect on Pacific's other customers, that a public hearing is unnecessary and that the application should be granted, therefore,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be and it is hereby authorized to carry out the provisions of that certain agreement dated April 18, 1947 between Pacific Gas and Electric Company and The Dow Chemical Company modifying and amending certain specified provisions of the power contract between said parties dated July 1, 1940 heretofore authorized by this Commission's Decision

No. 33171, all as set forth in Exhibit 3 attached to this First Supplemental
Application No. 23484.

The effective date of this Order is the date hereof.

Dated at San Francisco, California, this 20th day of
May, 1947.

Harold P. Hull
Justin F. Casper
Frank Powell
R. E. Dunsford
Samuel P. Little
Commissioners.