

ORIGINAL

Decision No. 42074

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
 PACIFIC GAS AND ELECTRIC COMPANY for
 an order authorizing it to enter
 into a written agreement with GLADDING,
 McBEAN & CO. relating, among other
 things, to the sale by the former and
 purchase by the latter of natural gas
 for use in its plant located at Lincoln,
 Placer County, California; and issuing
 to applicant a certificate of public
 convenience and necessity to construct,
 install, operate and maintain natural
 gas mains and related facilities herein
 mentioned.

Application No. 25420
(First Supplemental
Application)

FIRST SUPPLEMENTAL OPINION AND ORDER

In this first supplemental application Pacific Gas and Electric Company requests authorization to carry out the terms of its original agreement (dated January 6, 1943), covering the sale and delivery of gas to Gladding, McBean and Company, as amended and modified by an agreement dated August 19, 1948. The original agreement, as approved by this Commission's Decision No. 36073, was for a term of five years after April 22, 1943.

The original agreement provided, among other things, for the sale and delivery by Pacific to Customer of a quantity of gas up to an aggregate total of 70 million cubic feet per month for fuel purposes in the operation of Customer's pottery plant located at Lincoln, California. The agreement, attached to this first supplemental application as Exhibit "B", amends and modifies the original agreement as follows:

- (a) Section 2 - by striking therefrom the words "up to an aggregate total of 70,000,000 cubic feet per month" and substituting therefor the following:

"up to the equivalent of the maximum quantity of gas per hour as was required for maximum safe use to all equipment covered by said contract, as said equipment existed on September 25, 1942, at said plant"

- (b) Section 14 - by providing that said contract shall continue in force and effect until April 22, 1951, thereby extending the initial term thereof for three years.

Applicant states the purpose of the amended provision indicated under (a) above is to grant to Gladding, McBean and Company the same privileges with respect to maximum deliveries as are now available to other customers of the utility, instead of the present limitation of 70 million cubic feet per month provided for in the original agreement. The maximum allowable monthly deliveries are specified in applicant's Rule and Regulation A-4 - Limitation Upon Surplus Natural Gas Service, as follows:

"1. Surplus natural gas service...is closed:"

"(d) for additional equipment at any location, except that as much gas per hour will be supplied on the surplus basis at a given location as was required for maximum safe use of all equipment under surplus gas contract on September 25, 1942 at that location, regardless of whether or not such gas is used in the equipment then installed, provided it is used in equipment of a type to which the GS rates are applicable."

Applicant points out in its application that Customer's maximum safe use of all equipment presently existing in the plant at Lincoln is in excess of 70 million cubic feet per month and is the same as that which existed on September 25, 1942.

The original agreement contains a provision that it shall at all times be subject to such changes or modifications by the

California Public Utilities Commission 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 this First Supplemental Application should be granted, that a public hearing in the matter is not necessary, and good cause appearing, therefore:

IT IS HEREBY ORDERED that Pacific Gas and Electric Company is authorized to carry out the terms and conditions of that certain written agreement, dated January 6, 1943, with Gladding, McBean and Company (Exhibit "A" of Exhibit No. 1 of the original application) as amended and modified by that certain agreement between Pacific Gas and Electric Company and Gladding, McBean and Company, dated August 19, 1948 (Exhibit "B" of the First Supplemental Application herein).

The effective date of this Order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 28th day of

September, 1948.

R. J. Donohue
Justice J. C. Quinn
Walter J. Quinn
Harold L. Hills
Samuel H. Little
Commissioners