

Decision No. 42885

ORIGINAL

BEFORE THE PUBLIC UTILITIES 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 Public
 Utilities 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 December 9, 1949, (Exhibit "A"
 hereof).

Application No. 30971

OPINION AND ORDER

In this application, Pacific Gas and Electric Company requests authority to consummate a written agreement with Bethlehem Pacific Coast Steel Corporation for furnishing firm and interruptible natural gas service to the latter's plant in South San Francisco, California. A copy of the proposed agreement is attached to the application as Exhibit A.

The proposed agreement, which supersedes a prior agreement dated July 1, 1946, ^{1/} appears to be in effect an extension of the former contract in most respects. As before, the agreement provides that the utility will furnish all the firm and interruptible gas requirements of the Bethlehem Steel Corporation which will be required during the term of the agreement for any and all purposes in the operation of the customer's gas-burning apparatus. For all gas furnished, customer will pay the utility in accordance with the rates in the regularly established applicable tariff schedules for firm and interruptible industrial service.

^{1/} Authorized by Decision No. 39450, Application 27750, issued October 1, 1946.

For the purpose of billing under the proposed agreement, all gas delivered up to 6,750,000 cubic feet during any one month, rather than 6,000,000 cubic feet under the prior agreement, will be billed as firm gas in accordance with the rates in Schedule G-40A - Firm Industrial Natural Gas Service. For all gas deliveries in excess of 6,750,000 cubic feet per month the customer will be billed under the rates in Schedule G-50A - Interruptible Natural Gas Service.

As provided in the prior agreement, natural gas service will be rendered to the customer under provisions that deviate from the special conditions contained in the utility's applicable tariff schedules in two respects. First, service of firm and interruptible gas will be supplied through one meter rather than separate meters, in order to eliminate the necessity of separate plant piping systems for each class of service. Second, the special conditions of the filed tariff schedule for interruptible service provide that if and when interruptible gas is available, the customer will use gas exclusively in the operation of its gas-fired apparatus. The agreement, however, permits the customer to use certain quantities of fuel oil in conjunction with interruptible gas in order to operate more efficiently its five open hearth steel melting furnaces.

It is further specified in the agreement that the estimated volume of firm requirements, 6,750,000 cubic feet per month, will be subject to check from time to time by either party's notifying the other in writing of its desire to make such a check.

The proposed agreement is dated December 9, 1949, and is for a term of one year from and after November 25, 1949, and will continue thereafter from year to year subject to termination at the expiration either of the initial term hereof or any subsequent contractual year by giving the other party written notice at least thirty (30) days prior to such termination date.

The agreement contains a provision that it shall at all times be subject to such changes or modifications by the Public Utilities 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 HEREBY ORDERED that Pacific Gas and Electric Company is 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 natural gas service provided for in the agreement at the rates and under the terms and conditions set forth in said agreement.

Pacific Gas and Electric Company shall file two copies of the agreement with the Commission within fifteen (15) days after the effective date of this order.

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

Dated at San Francisco, California, this 17th day of March, 1950.

R. E. Anderson
Justice F. Callahan
Samuel K. Kell

Harold P. Holt
Commissioners

Commissioner Harold P. Holt, being necessarily absent, did not participate in the disposition of this proceeding.