50370 Decision No.

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA.

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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 authorizing applicant to enter into an agreement with UNION OIL COMPANY in words and figures contained in form therefor which is hereunto annexed marked Exhibit "A" of Exhibit No. 1 thereof, etc.

Application No. 21846 (Fourth Supplemental)

OPINION AND ORDER ON FOURTH SUPPLEMENTAL APPLICATION

In this fourth supplemental application Pacific Gas and and Electric Company requests authority to carry out the terms and conditions of a supplemental agreement with Union Oil Company, dated November 10, 1954, amending and modifying a contract between said parties, dated June 2, 1938, as amended April 1, 1942, April 9, 1951, and July 21, 1954. Said supplemental agreement provides, among other things, for increasing the demand in excess of the 15,000 kilowatts specified in the existing contract at Union's Oleum plant, and the payment by Union for such excess electrical energy. A copy of the supplemental agreement is attached to the fourth supplemental application as Exhibit No. 5.

The agreement states that Union has requested Pacific to furnish electrical power and energy in excess of the 15,000 kilowatts of demand as provided for in the existing contract. The agreement further states that in order to comply with Union's request it will be necessary for Pacific to install facilities at Substation No. 1 at a cost of approximately \$113,000, and to install two feeder circuits and two 7,500 kva transformers near Substation No. 2 at an approximate cost of \$122,500. This will make available a total of

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30,000 kva of transformer capacity to serve the Union load.

The agreement provides, among other things, that in consideration for such installation Union shall purchase from Pacific during the term of the agreement all of the electrical energy which Union shall require for its operations at said Substations Nos. 1 and 2 in excess of a simultaneous demand of 15,000 kilowatts at both substations, in accordance with the rates and charges set forth in Pacific's Schedule A-13, or such other applicable schedule in lieu thereof as may hereafter be authorized by this Commission. The basis for the apportioning of electric energy consumed between the existing contract rate and the rate herein provided is the ratio of created billing demand under each rate to the total demand.

In its application Pacific estimates that the annual revenue it will derive from the sale of additional electric power to Union will approximate \$63,500 per year.

The agreement provides that in the event said existing contract, dated June 2, 1938, for electric service to Union is not renewed or extended for a period of at least 15 years from its expiration date on December 31, 1957, Union shall reimburse Pacific for the afore-mentioned costs of installation and also pay Pacific the cost of removal thereof, less a credit for salvage of any equipment or material so removed.

The agreement further provides that it shall not become effective until authorized by this Commission and that at all times it shall be subject to such changes or modification by this Commission as said Commission from time to time may direct in the exercise of its jurisdiction.

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The Commission having considered the request of applicant, and being of the opinion that the application should be granted under the aforesaid conditions and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be and it is authorized to carry out the terms and conditions of the supplemental agreement, dated November 10, 1954 with Union Oil Company, amending and modifying a certain agreement between said parties, dated June 2, 1938 as amended April 1, 1942, April 9, 1951 and July 21, 1954, and to furnish the service described therein under the terms, charges and conditions stated therein.

IT IS HEREBY FURTHER ORDERED that applicant shall file with this Commission a statement showing the date on which service under the November 10, 1954 supplemental agreement is first rendered.

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

Dated at MARAILAND, California, this Inthe ベイイント ベイト day of a resident

Commissioners