

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.

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 Southampton, California, this 10th day of January, 1955.

John E. Mitchell
President
Justin F. Carlson
Raymond W. Krenner
Markus D. Doherty
Commissioners