

ORIGINALDecision No. 63563

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PACIFIC GAS AND ELECTRIC COMPANY)
 for authority to carry out an)
 agreement dated October 26, 1961)
 with AIR REDUCTION PACIFIC COMPANY.)

Application No. 43935

(Gas)OPINION AND ORDER

By the above-entitled application filed November 20, 1961, Pacific Gas and Electric Company seeks an order of this Commission authorizing it to carry out the terms and conditions of an agreement dated October 26, 1961, with Air Reduction Pacific Company. The agreement relates to the supply of interruptible natural gas to a plant of Air Reduction Pacific Company at Richmond, California. A copy of the agreement is attached to the application as Exhibit A.

Proposed Service

Applicant proposes to supply Air Reduction Pacific Company, hereinafter sometimes called Customer, with a quantity of interruptible natural gas for use as a raw material for the manufacture of hydrogen and for the operation of gas-fired equipment at 731 Cutting Boulevard, Richmond, California, in accordance with applicant's applicable rates and rules on file with this Commission which presently is applicant's Schedule G-50.

Customer agrees that it will use interruptible gas exclusively for the following purposes:

- (a) Process gas - raw material - 1.8 MCF per hour total;
- (b) One boiler - 150 HP - 5.3 MCF per hour total.

Applicant is not obligated to deliver interruptible gas at a rate of flow in excess of an hourly maximum of eight thousand cubic feet.

Subject to the authorization of the Commission, the agreement becomes effective October 26, 1961, and shall remain in force for an initial term of one year from and after the date of first delivery of interruptible natural gas and shall continue thereafter from year to year subject to termination by either party or discontinuance by applicant of delivery of interruptible gas, as provided in Section 6 of the agreement.

The furnishing of interruptible gas by applicant is contingent upon Customer maintaining adequate fuel standby facilities and a supply of fuel therefor, except Customer is not required to provide standby fuels for gas used as a raw material and for the processing equipment related thereto.

The agreement is subject to such changes or modifications by the Commission as it may, from time to time, direct in the exercise of its jurisdiction.

Applicant estimates that it will receive an annual gross revenue of approximately \$30,000 from the sale of interruptible gas to Customer.

Findings and Conclusions

Applicant's request to supply interruptible gas service to Air Reduction Pacific Company under the conditions specified in the agreement attached to the application herein as Exhibit A should be granted. In authorizing interruptible service without standby equipment as a deviation from the regularly filed tariffs, applicant and customer are placed on notice that natural gas service to the firm customers is to be accorded priority and the

