

ORIGINALDecision No. 67836

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 3, 1963 with ANDERSON,)
 CLAYTON & CO. for the sale of)
 interruptible natural gas.)

Application No. 46272
 (Filed March 10, 1964)

(Gas)

O P I N I O N

Pacific Gas and Electric Company requests authority to carry out an agreement with Anderson, Clayton & Co. (Foods Division), dated October 3, 1963 (Exhibit A), relating to the supply by PG&E of interruptible natural gas to Anderson for use as a raw material for the manufacture of hydrogen and for operation of gas-fired equipment at Anderson's plant at Chestnut and Muscat Avenues, Fresno, California.

The agreement provides that Anderson will use interruptible gas exclusively for the following purposes:

- (a) Process gas - raw material - 5.16 Mcf/hour total
- (b) One boiler - 1175 hp - 48.0 Mcf/hour total
- (c) One boiler - 35 hp - 1.5 Mcf/hour total

The agreement is to become effective upon authorization by the Commission and will remain in force for an initial term of three years from and after either (a) the date of first delivery of gas or (b) six months subsequent to the date PG&E is ready to supply gas, whichever date is earlier, and will continue thereafter from year to year unless terminated by either party at the end of the initial

term or any subsequent contract year. PG&E estimates that it will receive an annual gross revenue of approximately \$107,652.00 from the sale of interruptible gas to Anderson.

Applicant alleges that its request for authorization to carry out the agreement is made pursuant to Section 532 of the Public Utilities Code and Section X of the Commission's General Order No. 96-A, because the service to be rendered under the agreement deviates from Special Condition No. 3 of PG&E's Schedule G-50, Interruptible Gas Service, in that Anderson is not required to provide standby facilities for natural gas used as a raw material and for the processing equipment exclusively related thereto. Anderson has agreed (Exhibit B) that in the case of curtailment of the supply of natural gas to the hydrogen generator at its Fresno plant, it will assume full responsibility for the solution of any problems which may arise as the result of such curtailment. Applicant states that in all other respects the agreement is identical to PG&E's form agreement for Gas Distribution Facilities and Supply of Interruptible Natural Gas filed with the Commission by Advice No. 417-G, dated October 21, 1963:

Applicant alleges, further, in support of the requested authority, that Anderson has advised (Exhibit B) that there is no substitute for natural gas as a raw material for the process which it will use at its plant, and as the facilities of the hydrogen plant will operate as a unit, when raw natural gas is not available for processing, natural gas as a fuel for the steam boiler is not required. Therefore, standby facilities in this process would serve no purpose.

Applicant refers to other industries in its service area supplied interruptible natural gas without the requirement of standby facilities where it is not possible to utilize standby, pursuant to previous authorizations granted by this Commission.^{1/} Applicant alleges that its experience with these customers in regard to curtailments of interruptible gas service has been entirely satisfactory.

We find that the agreement herein for supply by Pacific Gas and Electric Company of interruptible gas service to Anderson, Clayton & Co., Foods Division, dated October 3, 1963, is not adverse to the public interest. The agreement should be authorized in accordance with the ensuing order.

A public hearing is not necessary.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company, after the effective date of this order, may carry out the terms and conditions of the agreement with Anderson, Clayton & Co., Foods Division, dated October 3, 1963 (Exhibit A attached to the application herein) and may deviate from Special Condition No. 3 of its Schedule G-50, Interruptible Gas Service, to the extent required by and in accordance with the terms and conditions of said agreement.

^{1/} Hercules Powder Company, the California Ammonia Company, the Valley Nitrogen Producers, Inc., the Continental Carbon Company, the Air Reduction Pacific Company and the Union Carbide Corporation, Decisions Nos. 50396, 57466, 58321, 62076, 63563 and 65323.

2. Applicant, within thirty days after execution of the agreement herein authorized, shall file with the Commission two fully conformed copies thereof, as executed.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 15th day of September, 1964.

Frederick B. Holcomb
President
John E. Mitchell
George G. Grover

Commissioners

Commissioner George G. Grover, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.