

Decision No. 70288**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of  
 PACIFIC GAS AND ELECTRIC COMPANY  
 for an order granting and conferring  
 upon applicant all necessary permission  
 and authority to carry out an agreement  
 with AMERICAN POTASH & CHEMICAL  
 CORPORATION which amends an existing  
 contract.

(Interruptible Gas)

Application No. 48097  
 (Filed December 3, 1965)

OPINION AND ORDER

The Pacific Gas and Electric Company (Pacific), by the above-entitled application, filed December 3, 1965, requests an order of the Commission authorizing it to carry out the terms and conditions of a contract dated October 27, 1965, with the American Potash & Chemical Corporation (American Potash). A copy of the contract is attached to the application as Exhibit B and by reference is made a part hereof for all purposes.

Said contract relates to the furnishing of interruptible gas service to the American Potash & Chemical Corporation at its plant in Trona, San Bernardino County, California, and amends certain terms and conditions of an existing contract dated April 11, 1955, which was authorized by the Commission by Decision No. 51666, dated July 12, 1955.

The existing contract provides for a maximum rate of flow of 875,000 cubic feet per hour of gas or 21,000,000 cubic feet per day. The amending contract provides for an increased maximum rate of flow of interruptible natural gas of 1,820,875 cubic feet per hour or 43,700,000 cubic feet per day. The terms and conditions of the existing contract are also changed to permit American Potash to use

coal and petroleum coke as alternate fuels in addition to fuel oil as now provided.

Under the provisions of Pacific's Rule No. 15, Gas Main Extensions, effective at the time of execution of the existing contract, American Potash was obligated to pay to Pacific the sum of \$1,291,000 for the main extension (Main No. 311) required to serve it. The existing contract provides that said sum may be paid by means of a monthly surcharge of 2¢ per Mcf to the regularly filed tariff charges applicable for all interruptible gas delivered to American Potash, up to a total of 87,200,000 Mcf. American Potash has the right at any time to discharge the remaining portion of this obligation by a lump sum payment equal to 1.6¢ per Mcf times the difference between 87,200,000 Mcf and the total amount of interruptible natural gas delivered from the date of first service to the date of payment of the lump sum amount.

In Decision No. 55882, dated December 3, 1957, in First Supplemental Application No. 36889, the Commission issued a certificate of public convenience and necessity to Pacific to construct and operate a gas main extension from Main No. 311 to Ridgecrest and to the United States Naval Ordnance Test Station at China Lake in Kern County. By reason of said extension the amendment to the existing contract provides that the total sum payable to Pacific by American Potash be reduced by main extension credit for the extension to China Lake in the amount of \$129,802. Recalculation of American Potash's obligation for the main extension as reduced by the sum of \$129,802, and as based on total deliveries through July 1, 1965, is \$268,396 based on a 2¢ per Mcf surcharge or an alternate obligation of \$214,717 as an immediate lump sum payment based on

1.6¢ per Mcf. The latter option is to be exercised by American Potash. Detailed calculations are shown in Exhibit B to this application.

The amending contract dated October 27, 1965, which is to remain in effect until June 1, 1977, contains the provision that it shall not become effective until accepted for filing as an amendment to the existing contract and that it shall at all times be subject to such changes or modifications by the Commission as it may from time to time direct in the exercise of its jurisdiction.

The Commission finds that the contract dated October 27, 1965, between Pacific and American Potash is not adverse to the public interest. A public hearing is not necessary; therefore,

IT IS HEREBY ORDERED that:

1. Applicant is authorized to carry out the terms and conditions of the contract dated October 27, 1965, with American Potash & Chemical Corporation.
2. Applicant shall file with the Commission within thirty days after the effective date of this order, four certified copies of the contract as executed, together with a statement of the date on which the contract is deemed to have become effective.
3. Applicant shall notify this Commission of the date of termination of said contract within thirty days after said date of termination.
4. Applicant shall file with this Commission, in compliance with General Order No. 96-A, a revised summary list of contracts and deviations to include the contract herein authorized. Such list

shall become effective upon five days' notice to the Commission and the public as hereinabove provided.

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

Dated at San Francisco, California, this 1st day of FEBRUARY, 1966.

Frederick C. Hildhoff President

John J. Mitchell

George H. Brewer

Augustus

William L. Benson Commissioners