

ORIGINAL

Decision No. 73991

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application)
of PACIFIC GAS AND ELECTRIC COMPANY)
for authorization to carry out an)
agreement with the CITY AND COUNTY)
OF SAN FRANCISCO and AIR PRODUCTS)
AND CHEMICALS, INC., designated)
herein as Exhibit Q.)
(Electric)

Application No. 50037
(Filed February 21, 1968)

OPINION AND ORDER

Pacific Gas and Electric Company (Pacific) requests an order of the Commission authorizing it to carry out an agreement between Pacific, the City and County of San Francisco (City) and Air Products and Chemicals, Inc. (Air Products) dated November 28, 1967, effecting assignment to City by Pacific of its interest in an electric service contract of June 15, 1966, between Pacific and Air Products.

By Decisions Nos. 61902 and 63565 in Application No. 43200 the Commission authorized Pacific to carry out the terms and conditions of four agreements by which Pacific is providing a temporary accommodation to the City so as to permit City to fully utilize the power and energy output of its Hetch Hetchy hydroelectric generating plants until such time as the entire output of City's plants will be required by the City for its own municipal purposes and for the requirements of the City's customers. By those agreements, Pacific's electric service contracts with the Dow Chemical Company, Hercules Powder Company and Shell Chemical Company were assigned to the City.

Pacific, by letter agreement of August 1, 1960, agreed to deliver City's power and energy, and supplementary power and energy purchased from Pacific by City, to said companies.

In Decision No. 73121 dated September 26, 1967, to further assist City to fully utilize the output of its hydroelectric generating plants, this Commission authorized the assignment of Pacific's interest in a contract with California Ammonia Company to City.

In September, 1967, Shell Chemical Company notified City and Pacific that, because of a permanent change in operations, their use of electricity would be sharply reduced at their Pittsburg chemical plant. On November 30, 1967, the contract with Shell Chemical Company was terminated. To replace Shell Chemical Company and to permit City to continue utilizing in full its hydroelectric resources, Pacific, City, and Air Products on November 28, 1967 entered into an agreement, a copy of which is attached to the application marked Exhibit Q, whereby Pacific assigns to City its interests in a contract dated June 15, 1966 with Air Products. The Chemical Contract customers and Air Products are served at the same rates and under the same conditions of service. Pacific's Schedule No. A-18, Interruptible Primary Industrial Power, is the schedule applicable thereto.

The assignment agreement becomes effective as of the date Pacific receives such written demand from City, which shall be delivered by City concurrently to Air Products, provided that the City's output of electric power and energy from its Hetch Hetchy hydroelectric generating plants must then exceed the amount of electric power and energy required by City for its own municipal purposes and for its customers, not including Air Products. Said demand having been duly made by the City, the assignment became

effective on November 1, 1967. The assignment will terminate at midnight, April 30, 1972, unless otherwise terminated as provided in the assignment.

Pacific and City entered a new letter agreement dated November 28, 1967, a copy of which is attached to the application marked Exhibit S, which amends the letter agreement dated August 1, 1960, as amended April 13, 1967, between Pacific and City, by adding Air Products under the same terms and conditions of service as for Dow Chemical Company, Hercules Powder Company and California Ammonia Company.

The assignment agreement states that it shall be subject to authorization by this Commission, and shall be subject to modification by the Commission as it may from time to time direct in the exercise of its jurisdiction.

The Commission finds that the assignment of Air Products' contract by Pacific to City as proposed herein is not adverse to public interest and concludes that the application should be granted. A public hearing is not necessary.

IT IS ORDERED that:

1. Pacific Gas and Electric Company is authorized to carry out the terms and conditions of the written agreement dated November 28, 1967, with the City and County of San Francisco and the Air Products and Chemicals, Inc., a copy of which is attached to the application as Exhibit Q.
2. Pacific Gas and Electric Company shall file with the Commission, within thirty days after the effective date of this order, four certified copies of the agreement as executed, together with a statement of the date on which said agreement is deemed to have become effective.

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3. Pacific Gas and Electric Company shall notify the Commission in writing of the date of termination of the agreement within thirty days thereafter.

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

Dated at San Francisco, California, this 16th day of APRIL, 1968

John E. ...
President

William ...

August ...

William ...

Paul P. ...
Commissioners