

Decision No. 25786.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of  
PACIFIC GAS & ELECTRIC COMPANY,  
Lessee, a corporation, for an order  
of the Railroad Commission approving  
a certain agreement entered into by  
and between applicant and VERNALIS  
INVESTMENT CO., dated November 28, 1932.

Application No. 18644.

**ORIGINAL**

C. P. Cutten, for Applicant.

Lafayette Smallpage, for Vernalis  
Investment Company.

B. W. Kriem, for Modesto Irrigation  
District.

BY THE COMMISSION:

O P I N I O N

This is an application of Pacific Gas and Electric Company, Lessee, a corporation, for an order approving a certain agreement dated November 28, 1932, made and entered into by and between applicant and Vernalis Investment Company. A copy of said agreement, marked Exhibit "A" is attached to and made a part of the application.

Upon the terms and conditions set forth in the afore-said agreement, applicant has agreed to sell and deliver to said Vernalis Investment Company, and the latter has agreed to purchase from the former, during the term thereof, all of the electrical energy which shall be required for the operation of its electrical machinery and apparatus and in the conduct of its business upon its premises situate in the County of Stanislaus, State of California, at the locations particularly

described in said agreement, it being provided in said agreement that the same shall continue in force until the expiration of the term of seven (7) years from the first day of April, 1932, and thereafter until terminated in the manner provided in said agreement, and that the same shall become binding upon the parties thereto as soon as, but not before, it shall have been approved by the Railroad Commission of the State of California, and when so approved shall be deemed effective for all purposes as of the first day of April, 1932.

Under the conditions of said agreement, the charges to be paid to applicant by Vernalis Investment Company for three (3) phase, sixty (60) cycle, alternating current at four hundred forty (440) volts for use in Vernalis Investment Company pumping plants numbers one (1), two (2) and three (3), all of which are to be wholly operated by electric energy, shall be in accordance with the following rates:

1. During first three (3) years of term.
  - (a) All energy, \$0.008 per kilowatt hour.
2. During remainder of term.
  - (a) Plants metered and billed separately, Schedule No. P-3.

A public hearing was held on this application at Fresno, California, on March 2, 1933.

Witnesses for applicant testified that Vernalis Investment Company has for some years been an electrical consumer of Pacific Gas and Electric Company, Lessee, receiving service under the regularly published schedules of said utility; that said utility owns all of the electric lines and transformers on the premises of Vernalis Investment Company, that the property of

Vernalis Investment Company is located west of the San Joaquin River between the territory of Modesto Irrigation District and the territories of the Santa Carbons and West Stanislaus Irrigation Districts, both of which have been granted reduced rates by Pacific Gas and Electric Company, Lessee, under authority granted by this Commission; that representatives of Vernalis Investment Company informed applicant that Vernalis Investment Company could secure electric energy from Modesto Irrigation District at the rate of six (6) mills per kilowatt hour, if Vernalis Investment Company would build a line from its property in an easterly direction across the San Joaquin River to the westerly boundary of Modesto Irrigation District; that the rate proposed in said agreement of November 28, 1932, by Pacific Gas and Electric Company, Lessee, is substantially equivalent to said six (6) mill rate, investment considered, and that applicant knows of no other consumer except Meridian, Ltd., situated under like conditions and circumstances.

Mr. B. W. Kriem, representing Modesto Irrigation District, stated that said Irrigation District does not protest the granting of this application but feels that the rate should be filed as a regular schedule open to all consumers of like conditions and circumstances.

After giving careful consideration to all of the testimony and evidence in this case, it is our opinion that this agreement is fair to all parties and should be approved.

The following form of Order is recommended.

O R D E R

Pacific Gas and Electric Company, Lessee, having applied to the Railroad Commission of the State of California for

an order approving a certain agreement dated November 28, 1932, between applicant and Vernalis Investment Company, covering the purchase and sale of electric energy, public hearing having been held, the matter being submitted and now ready for decision,

The Railroad Commission of the State of California Hereby Orders that said agreement be and it is hereby approved.

The effective date of this Order shall be from and after the date hereof.

Dated at San Francisco, California, this 3rd day of April, 1933.

O. J. Lenny  
Leon A. Lundy  
W. A. Lundy  
W. B. Lundy  
W. B. Lundy  
Commissioners.