

Decision No. 10274

BEFORE THE RAILROAD COMMISSION
OF THE STATE OF CALIFORNIA

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ORIGINAL

In the Matter of the Application of)
SAN JOAQUIN LIGHT AND POWER CORPORA-)
TION and SOUTHERN CALIFORNIA EDISON)
COMPANY for an order authorizing the)
execution by applicants of an agree-)
ment in the nature of a lease, by the)
terms of which San Joaquin Light and)
Power Corporation reserves for the ex-)
clusive use of Southern California)
Edison Company a 12,500 kilowatt unit)
to be installed in the Midway steam)
plant of San Joaquin Light and Power)
Corporation.)

Application No. 7521

BY THE COMMISSION:

O P I N I O N

San Joaquin Light and Power Corporation and Southern California Edison Company request approval of a certain agreement and authority for the execution thereof. The agreement provides for the installation by San Joaquin Light and Power Corporation in its Midway steam plant of a 12,500 kilowatt turbine together with necessary boilers and auxiliaries at a cost of approximately \$1,200,000, said installation to be completed and in operation by August 1st, 1922. It further provides for the delivery and sale during the period from August 1st, 1922 to June 1st, 1923 by San Joaquin Light and Power Corporation to Southern California Edison Company of 80,000,000 kilowatt hours

at a price of \$42,485 per month plus \$.00333 per kilowatt hour. It is further agreed that this unit shall be available for service to Edison Company in preference to other consumers of San Joaquin Company and that San Joaquin Company shall make available an additional 7,500 kilowatts of capacity if possible on its system or thru purchase from other electric systems during the period of the agreement, making a total capacity of 20,000 kilowatts.

Southern California Edison Company desires additional plant capacity to protect its service during the fall and winter of 1922, and San Joaquin Company is of the opinion that additional capacity will be necessary for its own load in the summer and fall of 1923.

Investigation and report by the Commission's engineers indicates that the agreement will be to the mutual benefit of both parties. With the cheap gas supply available at the Midway plant and the elimination of additional investment in steam plant capacity by Edison Company material saving will result to it. The rate as computed includes not only return upon the investment by San Joaquin Light and Power Corporation but an amount to cover reduction in the cost of construction of the plant which it is estimated may occur between the present and the time when the plant would be necessary for service of San Joaquin Company's regular business. The Commission will upon the termination of the agreement, decide what adjustments, if any, shall be made in the accounts of San Joaquin Light and Power Corporation.

We find from the investigation of the agreement and the report of the Commission's engineers that the agreement will apparently result to the benefit of both parties and that it should be approved under the conditions set forth in the follow-

ing Order:

O R D E R

San Joaquin Light and Power Corporation and Southern California Edison Company having jointly applied for permission to execute a certain agreement dated January 24th, 1922 heretofore referred to, and from investigation by the Commission's engineers it appearing that the agreement will be of benefit to both parties and to the public served by these utilities, and there appearing no reason for a formal hearing in this matter,

IT IS HEREBY ORDERED that San Joaquin Light and Power Corporation and Southern California Edison Company be, and they are, hereby authorized to execute an agreement substantially in the same form as the agreement filed in this proceeding and marked "Exhibit A".

IT IS HEREBY FURTHER ORDERED that San Joaquin Light and Power Corporation shall, within thirty days after the expiration of the agreement herein authorized to be executed, file with this Commission a complete statement setting forth in detail the cost of the plant referred to in said agreement, the operating revenues and operating expenses relating to said plant, together with such other information as may be required by the Commission relative thereto.

Dated at San Francisco, California, this

1st day of ^{April}~~March~~, 1922.

J. R. Brundage

Davidson M. ...
Charles A. ...

J. S. ...
COMMISSIONERS.