

Decision No. 32003

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of THE NEVADA-CALIFORNIA ELECTRIC CORPORATION, an electrical public utility corporation, for an order accepting for filing and making effective a special five-year Written Agreement for Sale and Purchase of Electric Energy and Service executed by and between The Nevada-California Electric Corporation and Southwestern Portland Cement Company, a corporation, under Section 17, Subdivision (b) of the Public Utilities Act of the State of California.

ORIGINAL

Application No. 22714

BY THE COMMISSION:

OPINION AND ORDER

This is an application of The Nevada-California Electric Corporation, hereinafter some times referred to as Applicant, for permission to make effective a special five-year written agreement with the Southwestern Portland Cement Company for the sale of electric energy and service required in the manufacture of cement and purposes incidental thereto at the Customer's plant located at Victorville, California.

A copy of said proposed agreement marked Exhibit "C" is attached to the application and made a part thereof.

Under date of March 10, 1927 The Southern Sierras Power Company (the predecessor in title and interest of the applicant corporation) and Southwestern Portland Cement Company entered into a similar agreement for a period of ten years from April 1, 1927,

and thereafter for successive periods of five years each. Under date of September 3, 1935 a supplemental agreement was executed between the two parties, which in certain respects amended and modified the original agreement, and further extended it until April 1, 1940. Further temporary amendments and modifications by letter agreements were made bearing the dates of April 2, 1936, September 29, 1936, February 3, 1937 and November 8, 1937. The original agreement and all modifications and amendments thereto have been filed with this Commission, and true and correct copies thereof marked respectively Exhibits "A" and "B" are attached to the application and made a part thereof.

The Applicant, as successor in title and interest of the hereinbefore mentioned The Southern Sierras Power Company, and Southwestern Portland Cement Company have mutually agreed to terminate said power service agreement of March 10, 1927 and all supplemental agreements and amendatory letter agreements, and now request permission to enter into a new and independent agreement for the sale and purchase of electric energy and service for the purposes heretofore referred to and as more fully described in the agreement. Some of the more important features and conditions of said proposed agreement may be set forth.

All electric energy delivered shall be three phase, sixty cycle, alternating current of approximately 460 volts, or with commercial approximation thereto as delivered to the distributing lines and equipment of the consumer.

The rates to be charged under the proposed agreement are as follows:

ENERGY CHARGE

First 200 Kilowatt-hours per month per horsepower of maximum demand..... 1.04¢ per Kwh
All over 200 Kilowatt-hours per month per horsepower of maximum demand..... .416¢ " "

MINIMUM CHARGE

\$1.00 per month per horsepower of active connected load, but not less than \$4,000.00 per month.

The proposed contract contains the following oil clause:

"Whenever during any period or periods the market price of fuel oil of 14° to 14.9° gravity F.O.B. cars Los Angeles as shown by the quotations of the Standard Oil Company of California, shall exceed \$1.30 per barrel, the energy charge in above schedule shall be automatically increased one-fourth mill (0.025¢) per K.W.H. for each full ten cent (10¢) increase above said \$1.30 per barrel in such market price of oil and after any such increase shall be correspondingly decreased by a decrease in the price of fuel oil, but no decrease in the market price of oil shall have the effect of reducing the said energy charge below the rates named in above schedule."

The maximum demand in any month shall be the average horsepower input indicated or recorded by instruments to be furnished and installed by the Applicant adjacent to watt-hour meter or meters, in the fifteen-minute interval in which the consumption of energy is greater than in any other fifteen-minute interval in such month, or, at the option of the Applicant the maximum demand may be determined by test.

The proposed contract further provides that the maximum demand for monthly billing purposes for any given month shall be the horsepower of measured maximum demand occurring during such month but in no case less than 75 per cent of the maximum demand occurring during the eleven next preceding months. The maximum

demands for billing purposes shall in every case be computed only upon the demands occurring between the hours of 7 a.m. and 11 p.m. of each day. If the total interruptions in service in any one calendar month shall equal or exceed a total of twenty-four hours, then the minimum charge and the maximum demand for such month shall be reduced in the proportion which the total hours of interruption bear to the total hours in such month.

The term of agreement is for a period of five years dating from and after June 1, 1939 to and including the first day of May, 1944.

The proposed agreement also contains the usual provision that it shall at all times be subject to such changes and modifications by the Railroad Commission of the State of California as said Commission may from time to time direct in the exercise of its jurisdiction.

The rates set forth in the proposed agreement represent a 7.5 per cent reduction over those contained in the original agreement of March 10, 1927.

The Commission having considered the request of the Applicant and it being of the opinion that the application should be granted, that a public hearing in the matter is not necessary, and good cause appearing therefor,

IT IS HEREBY ORDERED that The Nevada-California Electric Corporation be authorized to enter into a written agreement with Southwestern Portland Cement Company for the sale and delivery of electric energy and service used in the manufacture of cement and

purposes incidental thereto at Southwestern Portland Cement Company's Victorville cement plant, at the rates specified and according to the terms and conditions set forth in the agreement marked Exhibit "C," attached to and made a part of this application.

The Nevada-California Electric Corporation shall file two (2) copies of the executed agreement with the Commission within thirty (30) days after the effective date of this order.

Authority herein granted shall become effective as of the date hereof.

Dated at San Francisco, California this 31st day of

May, 1939.

Raymond W. ...

Francis P. ...

Ray H. ...

...

Justice F. ...
Commissioners.