

Decision No. 34433

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
COAST COUNTIES GAS AND ELECTRIC COMPANY,
a corporation, for the approval of an
agreement and supplemental agreement
for the sale of electricity to Pacific
Portland Cement Company at or near the
Town of San Juan, County of San Benito.

Application No. 24336

BY THE COMMISSION:

OPINION AND ORDER

In this application Coast Counties Gas and Electric Company, hereinafter sometimes referred to as Applicant, requests authority to enter into a written agreement with Pacific Portland Cement Company, hereinafter sometimes called Customer, relating to the sale and delivery of electric power for use in Customer's cement plant located near San Juan, San Benito County, California. The original proposed agreement, marked Exhibit "A," and a supplemental agreement marked Exhibit "B," are both attached to and made parts of the application.

Some of the more important features and conditions of the proposed agreement may be set forth. In order to supply Customer, Applicant has agreed to construct a three-phase 24,000-volt circuit from its existing 24,000-volt line near the town of San Juan along a right-of-way provided by Customer to its metering facilities located on Customer's premises. Customer has agreed to advance to Applicant the amount of \$8,500, this being the estimated cost of the extension, necessary meters, switches and other equipment.

The original proposed agreement upon which the \$8,500 advance was predicated provided that all electrical energy sold be metered at 24,000 volts

but subsequent investigation disclosed that considerable savings could be effected by metering at the nominal secondary voltage of 600 volts. The purpose of the supplemental agreement set forth in Exhibit "B" is to provide for metering at the lower voltage, and to reduce the advance sum of \$8,500 by the amount of savings afforded thereby.

According to the proposed agreement, Customer agrees to pay for all electrical energy consumed at the following rates:

Demand Charge

First	200 kilowatts or less of maximum demand -	\$300 per month
Next	300 kilowatts of maximum demand -	\$1.00 per Kw per month
Next	500 " " " " "	.75 " " " "
All over 1,000	" " " " "	.60 " " " "

Energy Charge (to be added to Demand Charge) to be effective while Standard Oil Company of California's posted price of Standard fuel oil at Richmond, California, does not exceed \$.90 per barrel.

First	150 kwh per kw of maximum demand per month	.8¢ per kwh
Next	150 " " " " " "	.6¢ " " "
All over 300	" " " " " "	.5¢ " " "

When such fuel oil price exceeds \$.90 per barrel, the energy rate is to be increased .0017¢ per kwh for each one cent the posted price of such fuel oil exceeds \$.90 per barrel, such charge to be to the nearest .001¢ per kwh.

In view of Customer accepting delivery at 24,000 volts (nominal) the above demand charge is decreased by 7-1/2 per cent and the energy charge is decreased by 1-1/2 per cent.

The above rates are identical with those contained in Applicant's filed Primary Industrial Power Service Schedule P-5 except that they contain a fuel oil clause and provide a discount because of Customer's taking delivery at a voltage of 24,000.

The agreement also provides that the \$8,500 advanced by Customer for the extension of service will be refunded on the basis of .05¢ per kwh delivered until said amount of \$8,500 has been completely refunded.

The term of the proposed agreement is for one (1) year from and after May 1, 1941 but may be renewed from year to year upon one month's written notice given by Customer to Applicant.

The agreement provides further that it shall at all times be subject to such changes or modifications of the Railroad Commission of the State of California as said Commission may from time to time direct in the exercise of its jurisdiction.

The Commission having considered the request of 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, therefore

IT IS ORDERED that Coast Counties Gas and Electric Company is hereby authorized to enter into that certain proposed agreement and supplemental agreement with Pacific Portland Cement Company, set forth as Exhibits "A" and "B" respectively, attached to the within application and to render electrical service to said Pacific Portland Cement Company at the rates and under the terms and conditions as set forth in said agreement; provided, however, that the authority herein granted shall not be taken as limiting the Commission's authority to modify or set aside such agreement by appropriate order.

Coast Counties Gas and Electric Company shall file two copies of the agreement with the Commission within thirty (30) days after its execution.

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

Dated at San Francisco, California, this 21st day of

July, 1941.

[Signature]

Justus J. Calver
Francis L. Haveres
Richard Jackson

Commissioners