

Decision No. _____

35249

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of
SAN DIEGO GAS & ELECTRIC COMPANY,
a corporation, for the approval of
a contract with M. P. Barbachano
and Border Telephone & Light Company,
a Mexican corporation, covering the
sale and distribution of electrical
energy at Tecate, Mexico

Application No. 24709

BY THE COMMISSION:

OPINION AND ORDER

In this application San Diego Gas and Electric Company, hereinafter sometimes referred to as Applicant, requests authority to enter into a written agreement with M. P. Barbachano and Border Telephone & Light Company, a Mexican corporation, hereinafter sometimes called Customer, relating to the sale and delivery of all of the latter's electric energy requirements as shall during the term of the agreement be required for the operation of its electric business in and about Tecate, Mexico. A copy of the proposed agreement, marked Special Contract No. 41, is attached to and made a part of the application.

Some of the more important features and conditions of the proposed agreement may be set forth. The two parties agree that the electric energy to be delivered shall fall into two classifications, namely:

- (A) Energy used for power purposes and incidental industrial lighting at a malt plant and a vegetable oil processing plant, to be measured and delivered at 12,000 volts, and,
- (B) All energy used for general distribution to other power and lighting users in the vicinity of Tecate, to be measured and delivered at 2400 volts.

Under the terms of the proposed agreement all electricity will be metered on the American side of the International Boundary line at a point approximately 1,000 feet west of the United States Customs House in Tecate. It is further agreed that energy delivered for use under (A) above will be billed in accordance with Applicant's General Power Service Schedule P-1, while energy delivered for use under (B) above will be billed at the rates set forth in Applicant's Commercial Lighting Schedule L-2.

The proposed agreement supersedes a somewhat similar agreement between the two parties dated May 2, 1939, authorized by this Commission under Decision No. 32012 in Application No. 22748, and which expires on May 31, 1942.

Although the rates to be charged for the delivery of electric energy are those set forth in the two schedules heretofore mentioned there are several special conditions contained in the proposed agreement which are not a part of these filed tariffs. In this respect the proposed agreement provides that the minimum amount to be paid by Customer for the entire service rendered through both meters shall be \$9,000 per year, payable at the rate of \$750 per month on an accumulative basis. Also, because of the fact that Customer maintains and operates its own transmission and distribution system after taking delivery at the International Boundary, the proposed agreement provides for delivery of energy at primary rather than secondary voltages specified in the filed rates.

Due to the fact that the two plants to be served under the power rate are isolated from the remainder of the distribution system, incidental industrial lighting in connection with these plants up to 10 per cent of the connected power load is permitted.

The proposed agreement further provides that the maximum amount of electric energy Applicant agrees to deliver under (A) above shall not exceed 2,200,000 kilowatt-hours per contract year at a rate not to exceed 740 horsepower maximum demand and, further, the maximum amount which

Applicant agrees to deliver for general distribution in and about Tecate shall not be in excess of 200,000 kilowatt-hours per contract year at a rate not in excess of 80 kilowatts maximum demand.

Another provision of the proposed agreement, which incidentally was not included in its predecessor, is that Applicant's consumers in the United States have prior right to service supply and it therefore reserves the right to discontinue service during any time that sufficient electric energy is not available to fulfill the provisions of the agreement. This provision appears necessary in view of the present national war situation and the heavy demands of the military and war industries served by the Applicant in the San Diego area.

The term of the agreement is for a period of three (3) years from and after June 1, 1942, and will continue thereafter from year to year until terminated by six months written notice given by either party thereto. The agreement also contains a provision that it shall at all times be subject to such changes or 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 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 sufficient cause appearing, therefore

IT IS ORDERED that San Diego Gas and Electric Company is hereby authorized to enter into that certain proposed agreement with M. P. Barbachano and Border Telephone & Light Company, a Mexican corporation, set forth as Special Contract No. 41 attached to the within application, and to render electric energy service to said M. P. Barbachano and Border Telephone & Light Company at the rates and under the terms and conditions 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.

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

The authority herein granted shall become effective as of the date hereof.

Dated at Los Angeles, California, this 14th day of April, 1942.

James F. Casner
Ray K. Alley
H. B. Allen
Francis R. Havens
Richard L. ...
 Commissioners.