

ORIGINAL

Decision No. 36247

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
 PACIFIC GAS AND ELECTRIC COMPANY for
 an order of the Railroad Commission
 authorizing Pacific Gas and Electric
 Company and Southern California Edi-
 son Company, Ltd., to enter into a
 written agreement in words and figures
 contained in the form therefor which
 is hereunto annexed, marked Exhibit
 "A" and made a part hereof.

Application No. 25452

BY THE COMMISSION:

OPINION AND ORDER

In this application Pacific Gas and Electric Company, hereinafter sometimes referred to as Pacific, requests an order of this Commission authorizing Pacific and Southern California Edison Company Ltd., hereinafter sometimes referred to as Edison, to enter into a written agreement relating to the sale and delivery of electric energy by Pacific to Edison at Hanford. Said agreement provides for the sale by Pacific and purchase by Edison of all electric energy required for Edison's own use, or for resale by Edison, in a certain described area surrounding and including the City of Hanford. A copy of the proposed agreement marked Exhibit "A" is attached to and made a part of the application.

The proposed agreement supersedes an agreement entered into by and between San Joaquin Light and Power Corporation and H. G. Lacey Company, predecessors in interest respectively of Pacific and Edison, bearing date of the 9th day of December, 1911. The charges for electric energy sold and purchased, under the proposed contract, would be as follows:

Demand Charge:

First 1000 kilowatts or less of maximum demand
..... \$1500.00 per month

Each additional kilowatt of maximum demand
... \$1.1676 per kilowatt per month

plus

Energy Charge:

4.365 mills (\$.004365) per kilowatt hour.

The maximum demand will be based on a thirty-minute interval but will be not less than sixty (60) per cent of the greatest maximum demand occurring during the eleven (11) preceding months. Any demand occurring between the hours of 11:00 p.m. and 6:00 a.m. of the following day will not be considered in computing the charges. The proposed agreement contains a power factor clause providing a penalty for power factors less than seventy-five (75) per cent and a discount for power factors greater than eighty-five (85) per cent. Delivery is to be at approximately 70,000 volts.

The term of the proposed agreement is for a period of seven (7) years from and after December 9, 1942, and thereafter until terminated by ninety (90) days written notice of such termination given by either party to the other.

The application shows that both Pacific and Edison are desirous of entering into and performing the covenants of the proposed agreement; and that Pacific's estimated gross annual revenue to be received from Edison under the proposed agreement would be approximately \$102,000. This is about \$14,000 less than would be obtained for like service supplied under Pacific's filed Schedule P-6-S. Pacific alleges that the furnishing of service by Pacific to Edison in accordance with the proposed agreement will not constitute a burden upon Pacific's other electric customers and also that under the facts and circumstances obtaining, the proposed agreement and its rates, terms and conditions are fair, just and reasonable to the parties thereto.

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

The Commission having considered the request of Pacific 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 Pacific Gas and Electric Company and Southern California Edison Company Ltd. are hereby authorized to enter into a written agreement in the same form as the agreement filed in this proceeding as Exhibit "A" attached to the application, and, further, the necessary permission and authority is hereby granted to carry out all the covenants of said agreement in accordance with its terms and conditions.

IT IS HEREBY FURTHER ORDERED that Pacific Gas and Electric Company shall within thirty (30) days after the execution of the agreement file with the Commission three (3) executed copies of said agreement.

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

Dated at San Francisco, California this 23^d day of March, 1943.

Francis R. Havenner
H. B. Allen
Justice F. C. Culleney
Richard H. Haskins
Francis Deane
Commissioners.