

Decision No. 36531

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
 of the State of California authoriz-
 ing applicant to enter into a written
 agreement with EMPIRE STAR MINES CO.,
 LTD., in words and figures as contained
 in the form therefor, which is hereunto
 annexed, marked Exhibit "A" and made a
 part hereof.

(Electric - Grass Valley)

ORIGINAL

Application No. 25717

BY THE COMMISSION:

OPINION AND ORDER

In this application Pacific Gas and Electric Company, hereinafter referred to as Applicant, requests authority to enter into a written agreement with Empire Star Mines Co., Ltd., hereinafter referred to as Customer, relating to the sale and delivery of electric energy required in the operation of Empire's mine situated near Grass Valley, Nevada County, California. Copy of the proposed agreement marked Exhibit "A" is attached to and made a part of the application.

Applicant alleges that it is now and for more than 30 years has been furnishing and supplying electric energy and service for the mining operations at this location; that under Limitation Order L-208 of the War Production Board the Customer must cease all operations except those permitted by special order of the War Production Board; that for proper preservation of the mine, which is of considerable depth, it is necessary that extensive water pumping be done; that Customer can not afford to continue said essential water pumping operations under Applicant's regularly filed tariff schedules applicable to the power service involved. It is further recited that unless these pumping operations are continued, the mine may be damaged to the extent that it might not be reopened when the above mentioned limitation order is terminated, which would

be of great detriment not only to the owners and operators of said mine, but also to the mine employees and to the communities of Grass Valley and Nevada City.

Under the foregoing circumstances Applicant has agreed to furnish service under the following rates and conditions more specifically set forth in Exhibit "A" of the application, provided authorization therefor is granted by order of this Commission:

For the period from the effective date of the agreement to December 1, 1943:

1. First 1500 kw or less of maximum demand per month and/or the first 1,000,000 kwhr or less per month \$5000.00
2. Schedule P-30, on file with this Commission, for all kilowatts of maximum demand in excess of 1500 kilowatts per month and for all kwhr in excess of 1,000,000 kwhr per month.
3. In no event shall the average over-all rate of 1 and 2 above be less than five mills per kwhr.

For the period December 1, 1943, until gold mining operations are resumed but not later than six months after the termination of World War II the above rates shall apply, except that for the first 1500 kw or less of maximum demand per month and/or the first 1,000,000 kwhr or less per month, the payment shall be \$4,500 instead of \$5,000.

For the remaining period of a term of five years the rates and charges of filed Schedule P-30 are to apply to all energy and service supplied to the customer.

The proposed agreement further provides that the Customer will not operate its water pumping facilities between the hours of 8:30 A.M. and 11:30 A.M. of each day during the period beginning on the effective date of the agreement and ending on the date gold mining operations are resumed, except during emergencies.

The Applicant states that during the six-year period 1937 to 1942, inclusive, Customer has paid approximately \$140,000 per year for service used in the gold mining operations and that under the proposed agreement the annual

gross revenue will be approximately \$70,000 a year. The service to be supplied under the agreement is to be furnished at 4,000 volts and for a term of 5 years from and after the date of commencement of service thereunder.

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 Pacific Gas and Electric Company is hereby authorized to enter into that certain proposed agreement with Empire Star Mines Co., Ltd., substantially in form and content as that attached to Application No. 25717 and marked Exhibit "A", and to supply electric service to said Empire Star Mines Co., Ltd., at the rates and under the terms and conditions set forth in said agreement.

Applicant shall file three copies of the agreement within thirty days after it has been executed.

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

Dated at San Francisco, California, this 3rd day of August, 1943.

Francis D. Haveman

Justus J. Casper

Richard L. Jackson

Thomas C. O'Connell

Commissioners