

Decision No. 36547**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 CALIFORNIA ELECTRIC POWER COMPANY,
 an electrical public utility corpora-
 tion, for Authorization to carry out
 the terms of a Special Five Year
 Written Agreement for the Sale and
 Purchase of Electric Energy and
 Service, executed by and between
 California Electric Power Company
 and Riverside Cement Company, a cor-
 poration, under Section 17, Subdi-
 vision (b), and Section 19 of the
 Public Utilities Act of the State of
 California.

Application No. 25722

BY THE COMMISSION:

OPINION AND ORDER

In this application the California Electric Power Company, hereinafter referred to as Applicant, requests authority to sell and deliver electric energy and service to the Riverside Cement Company, hereinafter referred to as Customer, under rates, conditions and terms specified in an agreement executed by Applicant and Customer on July 1, 1943. The energy and service are to be used in the manufacture of cement in the Customer's "Oro Grande plant" located near Oro Grande, San Bernardino County, California. A copy of the agreement marked Exhibit "A" is attached to and made a part of the application.

On or about October 14, 1942 the Customer, at the request of the United States Government, resumed operation of this plant on account of war conditions and the greatly increased demand for cement. After several months of negotiations, during which time electric service was delivered under a temporary arrangement, the Applicant and the Customer entered into and executed the aforesaid agreement under date of July 1, 1943.

This agreement, including rates and minimum charge, is similar to the five-year agreement authorized by this Commission's Decision No. 32033 (Application No. 22714) dated May 31, 1939 and applicable to service supplied by Applicant to the Victorville Cement Plant of the Southwestern Portland Cement Company. 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 demand416 " "

MINIMUM CHARGE

\$1.00 per month per horsepower of Maximum Demand, but not
less than \$4,000.00 per month

The special conditions under which the above rates are to be applied are similar to those contained in the agreement with the Southwestern Company.

There are a number of minor differences between the proposed agreement and that under which Applicant furnished service to the Southwestern Company including the prohibition to prevent the resale of energy by the Riverside Cement Company, the basing of monthly minimum charges on maximum demand rather than on connected load, and other differences for purposes of clarification. A relatively important difference, however, is the inclusion of a provision in the proposed agreement, under which the energy delivered to the Customer shall be measured on the primary or high voltage side of the transformer rather than on the secondary side as in the case of the deliveries to the Southwestern Company. This provision is to compensate for the additional cost of furnishing service at two voltages, i.e., for 460 volts and 2300 volts, rather than at a single voltage.

The term of the agreement is for a period of five years terminating on the thirteenth day of October, 1947.

The agreement contains the provision that it shall at all times be subject to such change and modification 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, therefor,

IT IS HEREBY ORDERED that California Electric Power Company is authorized to enter into that certain proposed agreement with Riverside Cement Company, substantially in form and content as that attached to Application No. 22714 and marked Exhibit "A," and to supply electric service to said Riverside Cement Company at the rates and under the terms and conditions set forth in said agreement.

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

Dated at San Francisco, California this 10th day of August, 1943.

Francis D. Havenner
Justice F. Calver
Commissioners