

Decision No. 37379

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY LTD., a corporation, for an Order of the Railroad Commission of the State of California authorizing Applicant to enter into a special Electric Service Agreement with KAISER COMPANY INC., a corporation.

Application No. 25207
(First Supplemental)

BY THE COMMISSION:

FIRST SUPPLEMENTAL OPINION AND ORDER

Southern California Edison Company Ltd. asks authority to enter into an agreement with the Kaiser Company, Inc., relating to the furnishing of electric service to said Kaiser Company's iron and steel mill located in the town of Fontana, San Bernardino County. A copy of the proposed agreement, marked Exhibit "A," is attached to this supplemental application.

Applicant is presently furnishing this service in accordance with an existing agreement, dated August 11, 1942, which was authorized by Decision No. 35756, and it is the desire of both parties that this agreement be cancelled as of May 1, 1944, and service thereafter continued under the proposed agreement.

By the terms of the proposed agreement Applicant will supply three-phase, 50-cycle energy, having an electromotive force of 66,000 volts to the mill at the point previously established for that purpose, and the Kaiser Company, Inc. agrees to purchase from Applicant the entire requirements for its mill. The term of the agreement is five years from and after May 1, 1944, but it is provided that the Kaiser Company, Inc. may cancel the agreement at any time upon written notice of ninety (90) days and payment of \$7,500 for each month of the unexpired portion of the five-year term. A deposit of

\$6,000 made by the Kaiser Company, Inc. under the term of the prior agreement is to be refunded immediately.

It is mutually agreed that service under the new proposed agreement shall be rendered under a rate schedule substantially as follows:

I. RATE CHARGE

<u>Billing Hp</u>	<u>Cents per Kwh for Consumption per Month</u>			
	<u>First</u> 50 Kwh per <u>Billing Hp</u>	<u>Next</u> 50 Kwh per <u>Billing Hp</u>	<u>Next</u> 100 Kwh per <u>Billing Hp</u>	<u>Over</u> 200 Kwh per <u>Billing Hp</u>
10,000 to 19,999.9	1.80	0.85	0.62	0.40
20,000 and over	1.70	0.70	0.55	0.40

II. MINIMUM BILL

(a) Annual Minimum

\$0.75 per billing horsepower per month, but based on not less than 10,000 Hp in any month. The annual minimum charge will be made accumulative over a twelve-month period and shall be paid monthly as it accumulates.

(b) Five Year Minimum

\$1,250,000.00 for five-year period. The Five Year Minimum will be made accumulative over a sixty-month period and shall be paid monthly as it accumulates.

Any payment on account of minimum bill due in any month shall be determined on the basis of (a) the annual minimum, or (b) the five year minimum, whichever requires the greater payment.

There are other special conditions covering an oil clause, a power factor clause and other related items that need not be set out in detail. With a connected load of 20,100 horsepower, and a usage of 7,500,000 kilowatt hours, and with a power factor of 90%, the net bill will be approximately \$46,000.00 per month, which is lower than would remit from the existing PC-1 rate schedule.

This special rate is allowed because of Kaiser Company's location, high load factor and character of the load served, as well as other conditions calling for special treatment.

The proposed agreement contains a statement that it shall not become effective until authorized by this Commission, and that it shall at all times be subject to such changes or modifications as this Commission shall from time to time direct in the exercise of its jurisdiction.

The Commission having considered the request of the Applicant, and it being of the opinion that this is not a matter in which a hearing is necessary

and that this application should be granted and good cause appearing, therefore,

IT IS ORDERED that Southern California Edison Company Ltd. is hereby authorized to execute an agreement in terms and conditions as set forth in Exhibit "A" attached to the application covering the sale of electric energy and is authorized to charge and collect for such services at the amounts, and at the rates, and under the conditions therein provided.

IT IS HEREBY FURTHER ORDERED that Southern California Edison Company Ltd. is authorized to terminate, as of May 1, 1944, its existing aforementioned agreement dated August 11, 1942.

Southern California Edison Company Ltd. shall file two copies of the agreement with the Commission within thirty (30) days after its execution.

Authority herein granted shall become effective on the date hereof.

Dated at San Francisco, California, this 34 day of October, 1944.

Justice F. Cressier
Francis R. Havenner

Wm. A. Duwell
Commissioners

CERTIFIED AS A TRUE COPY

Secretary, Railroad Commission
of the State of California.