

Decision No. 37864

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of CALIFORNIA ELECTRIC POWER COMPANY, an electrical public utility corporation, for Authorization to carry out the terms of a Special Written Agreement for the Sale and Purchase of Electric Energy and Service, executed by and between California Electric Power Company and the CITY OF RIVERSIDE, a municipal corporation, under Section 17, Subdivision (b), and Section 19 of the Public Utilities Act of the State of California.

ORIGINAL

Application No. 26670

BY THE COMMISSION:

O P I N I O N

California Electric Power Company in this application requests the Railroad Commission to make an order authorizing the utility to carry out the terms of a special contract with the City of Riverside, which contract specifies the terms and conditions under which electric service will be rendered by the former to the latter. A copy of the contract dated March 16, 1945 is attached to and made a part of the application as Exhibit "A."

Applicant avers that electric service has heretofore been rendered to the City under terms and conditions of a contract dated December 1, 1940, which contract was terminated and superseded by the terms and conditions of the present contract.

In support of its petition, Applicant alleges that the load characteristics of the City of Riverside have been materially altered since the first day of December, 1940, in that the demand and use of energy has increased and that the load factor has improved, and for that reason the City believed it was entitled to a more favorable rate. The previous contract was for an initial term to June 30, 1941 and from year to year thereafter subject to cancellation by either party at the end of the contract year upon thirty days' prior written

notice. The present contract is for an initial specified term ending on the first day of July, 1949, and from year to year thereafter subject to cancellation by either party on thirty days' prior written notice at the end of each such year: Because of these factors, Applicant asserts that the rates contained in the contract of Mar. 16, 1945 are designed to more adequately reflect the circumstances presently associated with this service.

The rates contained in the 1945 contract as compared to the rates provided for in the 1940 contract are shown on the following tabulation:

<u>Rate Schedule</u>	<u>Contract December 1, 1940</u>	<u>Contract March 16, 1945</u>
<u>Demand Charge</u>		
First 200 kw, per kw, per month but not less than \$250 per month	\$ 1.15	\$ 1.15
Next 300 kw, per kw, per month	.95	.95
Next 5,500 kw, per kw, per month	--	.80
All over 500 kw, per kw, per month	.80	--
All over 6,000 kw, per kw, per month	--	.70
<u>Energy Charge</u>		
First 200,000 kwh per month, per kwh	.72¢	.72¢
Balance, per kwh	.62¢	.62¢
Except that all kwh use in excess of 400 kwh per kw of maximum demand per month, per kwh	--	.55¢

It is apparent from an examination of this comparison that the provisions of the rate schedule incorporated in the new contract are primarily designed to reflect a reduction in charges for the increment of increased use now being made of the service and to carry forward the rates heretofore determined for the lesser use previously experienced.

The contract provides for a minimum charge equal to the demand charge. The charges are further subject to graduated adjustment for power factor variations limited to a maximum of ten per cent penalty or discount. Service is rendered at 2300 volts and delivered to the City's main substation and a number of pumping plant installations. Meter readings for billing purposes are to be combined in the manner set out in the contract.

The utility having complied with the provisions of Paragraph X of General Order No. 96, and the Commission being of the opinion that authority should be granted the utility to exercise the terms and provisions of the

contract, and that a hearing in the matter is not necessary, therefore,

O R D E R

IT IS HEREBY ORDERED that California Electric Power Company be and it is hereby authorized to carry out the terms and to charge the rates contained in that special agreement dated March 16, 1945 between said utility and the City of Riverside, covering the sale and purchase of electric energy and service, and

IT IS HEREBY FURTHER ORDERED that California Electric Power Company be and it is hereby authorized to cancel that special agreement dated December 1, 1940 between said utility and the City of Riverside, covering the sale and purchase of electric energy and service,

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

Dated at San Francisco, California, this 1st day
of May, 1945.

Harold O'Brien
Justin J. Quillen
Richard Kachse
Frank Dora
Wesley H. Lewis
Commissioners