

Decision No. 38241

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 Written Agree-  
 ment for the Sale and Purchase of  
 Electric Energy, Power and Service,  
 executed by and between California  
 Electric Power Company and HANFORD  
 FOUNDRY COMPANY, a California corpora-  
 tion, under Section 17, Subdivision  
 (b), and Section 19 of the Public  
 Utilities Act of the State of  
 California.

**ORIGINAL**

Application No. 26869

BY THE COMMISSION:

ORDER

California Electric Power Company submits this application and re-  
 quests an Order of the Commission under Section 17(b) and 19 of the Public  
 Utilities Act, authorizing the execution of a contract with the Hanford Foundry  
 Company of San Bernardino dated August 31, 1945. The contract contains the  
 terms and conditions under which the utility will render electric service to  
 this customer.

Electric service has heretofore been rendered under Applicant's rate  
 Schedule P, Rate Zone C. The utility points out that the rate level of that  
 schedule is higher than that of rate Schedule PCM-1, Rate Zone B, of the  
 Southern California Edison Company Ltd., which latter schedule, likewise avail-  
 able in parts of San Bernardino, would be applicable to this customer were it  
 served by the Edison Company. It is alleged that the contract herewith sub-  
 mitted will accord to this customer rates comparable to those contained in the  
 Edison Company's schedule. Comparison of the terms of the contract, with the

provisions of Edison's Schedule PCM-1 reveals that the rates, minimum charges, connected load, billing horsepower, maximum, off-peak and fluctuating demand provisions are substantially identical with the aforementioned schedule.

The contract further specifies the point and voltage of delivery, method of combining meter readings, restriction of the use of energy to consumers' premises, and protective and jurisdictional clauses. The agreement is for an initial period of three years and for successive periods of three years until cancelled by either party on thirty days' written notice prior to the end of any such three-year period. The Company justifies the contract on the basis that the reduction in rates amounting to from 10% to 12% is necessary in order to retain the business of this customer. Customer ownership of the power service transformer bank permitting delivery of energy at 33,000 volts and the definite period of assured business specified by the term of the contract are subsidiary reasons advanced in justification of the contract.

The application having been considered, the Commission being of the opinion that it should be granted, and that a public hearing is unnecessary, therefore

IT IS HEREBY ORDERED that California Electric Power Company, in accordance with the provisions of Section 17(b) and 19 of the Public Utilities Act, be and it is hereby authorized to carry out the terms and conditions of that certain contract, dated August 31, 1945, with the Hanford Foundry Company, submitted as Exhibit "A" in this application, to render the service and to charge and collect the rates specified therein, and to make the terms of the contract effective as of the date of the contract, August 31, 1945.

The effective date of this Order shall be the date hereof.

Dated at San Francisco, California, this 25<sup>th</sup> day of September, 1945.

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Commissioners.