

Decision No. 38394

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 approving an
 agreement entered into with the CITY OF
 LOMPOC, under date of September 7, 1945,
 and relating to the furnishing by the
 former to the latter of electric energy.

ORIGINAL

Application No. 26995

BY THE COMMISSION:

OPINION AND ORDER

Pacific Gas and Electric Company seeks an order in this application approving an agreement between Pacific and the City of Lompoc dated September 7, 1945, submitted with the application as Exhibit "A", specifying the terms and conditions under which Pacific will furnish electric service to the City.

The agreement is intended to supplant a previous agreement of substantially the same form under date of February 10, 1938, which was heretofore authorized by this Commission in its Decision No. 30598 in Application No. 21737. The new agreement contains a schedule of rates lower than those previously in effect, the application of which will, according to the Company's estimate, afford a reduction in the customer's bills of approximately 7%. In Decision No. 38305 issued in Case No. 4788 and Application Nos. 26889 and 26923, the Commission authorized Pacific to establish a new resale rate schedule designated Schedule P-31 and authorized contracts with the Cities of Palo Alto and Redding which action enabled the bulk of Pacific's resale customers to obtain substantial reductions in the purchase price of their electric energy requirements. On the average, as that decision shows, the reduction was approximately 10%, individual reductions varying from the average through a substantial range depending essentially upon the characteristics of use.

In the present application Pacific alleges that in order to afford relatively comparable reductions to the City of Lompoc, to whose service rate Schedule P-31 is not applicable, Pacific voluntarily offered the rate reductions implicitly contained in the schedule of rates included in the agreement submitted herewith. Comparison of the rate provisions of the 1938 contract with the 1945 contract is shown in the following tabulation:

<u>Demand Charge</u>	<u>1938 Contract</u>	<u>1945 Contract</u>
First 200 kw or less of max. demand . . .	\$355.00 per month	\$355.00 per month
Next 300 kw of max. demand	1.10 per kw	1.10 per kw
Next 500 kw of max. demand85 per kw	.85 per kw
All over 1000 kw of max. demand70 per kw	.70 per kw

Energy Charge:

First 150 kwh per kw per month.	\$.009 per kwh	\$.008 per kwh
Next 170 kwh per kw per month.006 per kwh	.0055 per kwh
All over 320 kwh per kw per month.005 per kwh	.0045 per kwh

The effect of the application of these rates to this customer's account can be illustrated by the following tabulation which shows the characteristics of use for the year ending August 31, 1945 as well as the billing under the old and new agreements.

Monthly maximum demand	
Highest	1210 kw (Dec.)
Lowest	740 kw (July)
Power factor of monthly use	
Highest	87%
Lowest	75%
Annual consumption	4,252,000 kwh
Annual load factor	40.1%
Billing 1938 contract rates	\$42,772
Billing 1945 contract rates	39,791
Difference in billing amount	2,981
Difference in billing per cent	6.97%

The off-peak period in which registered demands may be ignored for billing purposes is lengthened by one hour and includes the period between 10:30 p.m. and 6:30 a.m. of the following day. The term of the agreement is for a period of five years. The agreement further provides for the Commission's continuing jurisdiction.

In view of the Commission's authorization of rate Schedule P-31 in Case No. 4788 and its expressed opinion of the treatment of certain resale

customers contained in Decision No. 38305, the agreement submitted in this application appears to provide a reasonably consistent handling of the resale rate to the City of Lompoc. .

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

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be and it is hereby authorized to carry out the provisions of that certain electric service agreement with the City of Lompoc, dated September 7, 1945; to render the service therein contemplated; to charge and collect the rates therein contained; and to make said agreement effective on and after the date thereof namely, September 7, 1945.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 13th day of November, 1945.

Arthur J. Quinn
Justus F. Caalier
Arthur J. Quinn
Justus F. Caalier
Commissioners