

Decision No. 38409

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)
 HEALDSBURG, under date of September 6,)
 1945, and relating to the furnishing by)
 the former to the latter of electric)
 energy.)

Application No. 26997

ORIGINAL

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 Healdsburg dated September 6, 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 September 8, 1936. 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. 4782 and Application Nos. 26839 and 26925, 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 Healdsburg, 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 1936 contract with the 1945 contract is shown in the following tabulation:

<u>Demand Charge</u>		<u>1936 Contract</u>	<u>1945 Contract</u>
First	200 kw or less of max. demand	\$350.00 per month	\$350.00 per month
Next	200 kw of max. demand	1.25 per kw	1.25 per kw
Next	200 kw of max. demand	1.00 per kw	1.00 per kw
Next	200 kw of max. demand85 per kw	.85 per kw
All over	800 kw of max. demand75 per kw	.75 per kw

<u>Energy Charge</u>			
First	150 kwh per kw per month	\$.009 per kwh	\$.008 per kwh
All over	150 kwh per kw per month006 per kwh	.0055 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 October 1, 1945 as well as the billing under the old and new agreements.

Monthly maximum demand	
Highest	708 kw (Sept.)
Lowest	492 kw (Feb.)
Power factor of monthly use	
Highest	81 %
Lowest	73 %
Annual consumption	2,757,000 kwh
Annual load factor	44.4 %
Billing 1936 contract rates	\$28,624
Billing 1945 contract rates	26,744
Difference in billing amount	1,880
Difference in billing per cent	6.6 %

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 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 Healdsburg.

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 Healdsburg, dated September 6, 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 6, 1945.

The effective date of this order is the date hereof.

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

Harold Ruden
Justice F. Wallace
Thomas W. Carr

Justice F. Wallace
Commissioners