

Decision No. 39027

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SAN DIEGO GAS AND ELECTRIC COMPANY,
a corporation, for the approval of
its contract with San Diego Electric
Railway Company, covering the sale
of electric energy.

ORIGINAL

Application No. 24345

FIRST SUPPLEMENTAL ORDER

In this Supplemental Application the San Diego Gas and Electric Company (Applicant) requests an order of this Commission approving an agreement with San Diego Electric Railway Company (Railway). The agreement modifies and supplements that contract relating to the sale and delivery of electric energy by Applicant to Railway authorized July 21, 1941, by Decision No. 34432 in the original application herein. A copy of the modifying agreement dated April 17, 1946, is attached to and made a part of this Supplemental Application.

The previously authorized contract was to run until December 31, 1945. The modifying agreement extends the term of contract until December 31, 1948, and continues the conditions of that contract with the exception of a change in Service Charge and a change in the provision for termination of the contract in the event of reduction of Railway's operations or termination of its franchises.

The rates to be charged under the modified agreement for electric power and energy delivered during the term from January 1, 1946 to December 31, 1948 are as follows:

BASE RATE

Service Charge	\$1,215.00 per month
plus Demand Charge	1.50 per kw of demand per month
plus Energy Charge	0.40 per kwhr per month

The above energy charge is based on a price for fuel oil of \$1.00 per barrel and for natural gas of 16¢ per Mcf. Provision is made for changes in rates to compensate for fluctuations in the prices of oil and gas. The base rate as quoted is the same as that applicable under the 1941 contract except that the Service Charge has been reduced from \$1,465.00 per month to \$1,215.00 per month. The Service

Charge is considered to cover costs and charges associated with certain alternating current to direct current conversion equipment located in Applicant's Station B, which is owned and operated by Applicant although the demand and energy rates and the measurements of energy delivered are on the basis of alternating current delivery. The new service charge is believed to be reasonable in view of the circumstances presently prevailing and anticipated throughout the term of the modified contract.

Under the terms of the 1941 contract it could be terminated by either party upon 90 days' notice in the event that franchises of Railway should be cancelled, forfeited, or surrendered. Under the modified agreement it is recognized that Railway's electric energy requirements may be substantially reduced or eliminated during the term thereof, and no such occurrence shall constitute a breach of contract or entitle Applicant to terminate the contract or to any other remedy.

Applicant and Railway having negotiated and accepted the terms and conditions of the supplemental agreement dated April 17, 1946, as evidenced by Exhibit A, and the Commission being of the opinion that said agreement does not appear unreasonable, and that a public hearing in the matter is not necessary, and good cause appearing, therefore,

IT IS ORDERED that San Diego Gas and Electric Company is hereby authorized to consummate that certain agreement dated April 17, 1946, a copy of which is attached to this First Supplemental Application, to render electric service and deliver electric energy to San Diego Electric Railway Company at the rates and under the terms and conditions as set forth in said agreement during the term thereof commencing on January 1, 1946.

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

Dated at San Francisco California, this 28th day of May 1946.

David D. Quinn
Justice F. Cassin
Francis J. Quinn
Robert A. Russell
Harold P. Hulse

(Commissioners)