

Decision No. - 39224

## BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY LTD., a corporation, for an Order of the Railroad Commission of the State of California, authorizing a certain Agreement between Southern California Edison Company Ltd., Department of Water and Power of The City of Los Angeles, and Salt River Valley Water Users' Association, an Arizona corporation.

**ORIGINAL**

Application No. 27625

OPINION AND ORDER

Southern California Edison Company Ltd. applies for authorization to enter into an agreement with the Department of Water and Power of the City of Los Angeles and Salt River Valley Water Users' Association to deliver 50,000,000 kilowatt hours of energy during the period June 1, 1946 to May 31, 1947, to meet an emergency arising in the state of Arizona as the result of a shortage of water. Salt River Valley Water Users' Association normally produces 40% of its supply of energy at its own hydroelectric plants, 15% at its own steam and diesel plants, and purchases the remaining 45% from the United States Bureau of Reclamation at Parker Dam. Due to conditions of drought prevailing in Arizona this year, the hydro production will be so reduced that the Association anticipates it will need to purchase 100,000,000 kilowatt hours of energy from the Applicant and the Department of Water and Power to meet the power and energy demands of the Association's customers.

The Department of Water and Power and Applicant have contracts with the United States for the generation and delivery of energy from the Boulder Project, and their transmission lines and the Metropolitan Water District lines are so interconnected that the necessary power can be delivered to the Association at Parker Power House in California. The maximum demand is anticipated to be

30,000 kilowatts with the Applicant furnishing up to one-half of the estimated energy requirement of 100,000,000 kilowatt hours. The details of this arrangement are set forth in Exhibit "A" of the application.

The rate to be paid for this energy is 4.78 mills per kilowatt hour, which rate includes a fuel component of 2.875 mills per kilowatt hour. It is anticipated that this energy will be produced by Applicant's steam plants and the above rates have been predicated on \$1.10 per barrel price of fuel oil. If the price increases, the fuel component will be increased in ratio to the increase in posted oil price over \$1.10, exclusive of tax. This price appears adequate to pay the incremental cost of producing and delivering the energy without burdening the regular customers during the short emergency period under consideration.

The Applicant represents that the performance of the contract in the form of Exhibit "A" will materially assist the farmers of the state of Arizona in saving their crops and will not interfere with service to the regular customers in California because the contract allows for discontinuance of deliveries if necessary to maintain full regular service.

The Commission having considered the application, being of the opinion that the granting thereof is not adverse to the interest of the public or of Edison's customers but rather provides a means of affording urgently needed relief in a temporary critical situation, that a public hearing is unnecessary, and good cause appearing, therefore

IT IS HEREBY ORDERED that Southern California Edison Company Ltd. be and it is hereby authorized to carry out the terms of that certain agreement dated June 12, 1946 with the Department of Water and Power of the City of Los Angeles and Salt River Valley Water Users' Association submitted herewith as Exhibit "A", to render the service therein required and charge and collect the rates specified. Two additional copies of the executed agreement shall be filed with the Commission.

This Order shall become effective on the date hereof.

Dated at San Francisco, California, this 30<sup>th</sup> day of July

1946

David Ruden  
Justin J. Casner  
Francis C. ...  
Leopold ...  
Harold P. ...

Commissioners