

Decision No.. 39711

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

ORIGINAL

In the matter of the application of  
 PACIFIC GAS AND ELECTRIC COMPANY for  
 an order of the Public Utilities  
 Commission of the State of California  
 authorizing applicant to consummate  
 in accordance with its terms an  
 electric service contract with  
 SWIFT AND COMPANY, dated March 1, 1946.

Application No.. 28022

OPINION AND ORDER.

Pacific Gas and Electric Company submits herein for the Commission's authorization a special agreement with Swift and Company covering electric service to Swift's plant at Manchester, Mendocino County. Service is rendered to this customer through facilities formerly owned and operated by Point Arena Electric Light and Power Company which Pacific acquired pursuant to Decision No. 38562 in Application No. 27102. In that Decision Pacific was directed to adopt the rate schedules of the former company, to make a study of then existing rate practices, and after revising the schedules to eliminate as far as possible any differences in rate application, to refile said schedules in Pacific's name.

It was found that Swift was receiving service at a flat monthly rate of \$75 under a written agreement dated September 4, 1940, which expired September 4, 1945, and contemplated a maximum load of 25 hp. Pacific thereafter refilled Point Arena's power schedule as Schedule P-80, Original CRC Sheet No. 1252-E. Application of the charges provided by said schedule to Swift's load resulted in an increase in billing of more than 100% over and above the charges provided by the 1940 special contract. In view of the very substantial increase and the fact that, in its opinion, Schedule P-80 was of such a level as to be improper for a customer with use characteristics such as Swift's, Pacific entered into the agreement attached to the application as Exhibit A. This

agreement provides for service at a rate of 3¢ per kwhr with a minimum monthly charge of \$75 and contemplates a connected load of approximately 35 hp. Based upon consumption for the first nine months of 1946, the special contract rate will result in a billing of \$796.80, as opposed to \$675 at the old flat rate, and \$1,474 on Schedule P-80.

This agreement becomes effective January 1, 1946, for an initial period of one year and from month to month thereafter until terminated by 30 days' prior written notice of either party. It likewise contemplates the application of lower system rates if and when the Point Arena properties, which are now operated as an isolated system, are connected to the main Pacific system. A comparison of billing under the special contract rate with main system rates of Schedules P-1, P-15, and C-6 indicates that the special contract rates are at a somewhat higher level.

So long as the source of power for the Point Arena distribution system continues to be an isolated generating plant, maintenance of this differential is appropriate. Service to this customer under a special contract, however, should not be authorized to extend beyond the time the Point Arena facilities are connected to the main Pacific system and appropriate rates for this character of service filed for that territory. Because of the history of service to this customer and the special circumstances herein involved, it appears appropriate that Pacific be authorized to carry out the contract as herein submitted.

The Commission having considered the application, being advised of the facts and circumstances appertaining thereto, and being of the opinion that a public hearing is not necessary, and that Pacific should be authorized to consummate the agreement submitted herein, therefore

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be and it is hereby authorized to carry out the terms and provisions of that certain contract with Swift and Company dated March 1, 1946, submitted as Exhibit A of this Application, provided Pacific Gas and Electric Company shall terminate said contract in accordance with its terms within 30 days of the date the

Point Arena properties are connected to the main Pacific Gas and Electric Company system sources of supply, and shall thereafter apply the regularly filed tariff schedule applicable to such loads.

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

Dated at San Francisco, California, this 10<sup>th</sup> day of December

1946.

Harold Kula  
Justin J. Carver  
Francis D. ...  
Earl Powell  
G. E. ...  
Commissioners