

Decision No. 40800

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, and FIRESTONE TIRE & RUBBER COMPANY OF CALIFORNIA, a corporation, for an Order of the Public Utilities Commission authorizing Applicant Southern California Edison Company to enter into a special agreement with Firestone Tire & Rubber Company.

Application No. 28628

ORIGINAL

OPINION AND ORDER

The Southern California Edison Company, hereinafter called Edison, on August 28, 1947, submitted a contract with the Firestone Tire & Rubber Company of California, hereinafter called Firestone, which contains terms and conditions relating to the supplying of 60 cycle energy and service to the Firestone manufacturing plant located at 2525 Firestone Boulevard, Los Angeles County, California.

Edison has been supplying 50 cycle energy not exceeding 2250 kva for operation of a portion of said plant under the terms of a contract dated January 1, 1944, and heretofore authorized by this Commission by Decision No. 36875 in Application 25969.

In connection with its frequency change program, Edison ceased furnishing 50 cycle service and commenced serving 60 cycle service to the Firestone plant on August 27, 1947.

Due to certain operating conditions at said plant, Firestone desires to purchase from Edison 60 cycle energy and service for approximately one-half of its total plant requirements. Since this amount will exceed the 2250 kva limitation of the former contract, it is desired that the contract dated January 1, 1944, be cancelled, and Edison requests authority to enter into an agreement with Firestone dated August 27, 1947, attached to this application and designated as Exhibit "A".

The agreement provides that Edison will supply and sell to Firestone, 60 cycle electric energy not to exceed 9000 kva of capacity. This energy will be billed on Edison's PC-1 Schedule, as modified by the following stipulations:

- (a) The billing demand shall be that determined by said Schedule PC-1, but not less than fifty (50%) per cent of Firestone's total plant maximum demand.
- (b) The minimum charge shall be not less than the net bill after power factor discount, based on the billing demand and on a number of kilowatt-hours equal to the billing demand multiplied by the ratio of total plant kilowatt-hours (generated and purchased) to total plant maximum demand. Such power factor discount shall be based on the ratio of kilowatt-hours and reactive kilovolt ampere hours delivered by Edison.

It is stated that Firestone's total plant maximum demand shall be the arithmetical sum of the measured maximum demand from Edison's service and the measured maximum demand from Firestone's generated service, and the demand interval in each case shall be a thirty-minute period as specified in Schedule PC-1. It is also specified that Firestone's total plant kilowatt-hours shall be the sum of the metered energy from Edison's service and the metered energy from Firestone's generated service.

In order to apply this schedule as modified, it is necessary that both energy furnished by Edison and that generated by Firestone be metered. It is therefore provided that Edison will supply, install and maintain, in addition to its normal metering equipment, all equipment necessary for the purpose of metering the electric energy generated by Firestone.

Edison estimates the gross revenue to be obtained under this contract will approximate \$300,000 per year based upon supplying 3,500,000 kilowatt-hours per month at a demand of 7,000 kilowatts, which is one-half of Firestone's total estimated requirements.

Of the total connected horsepower in the Firestone plant, one-half or 14,100 horsepower has been converted for 60 cycle operation. Firestone elected to assume the responsibility of adapting this utilization equipment and Edison will grant Firestone a conversion allowance in lieu of adaptation based upon the estimated cost of Edison performing the adaptation. Edison estimates that such allowance will approximate \$150,000.

The term as provided in this contract is for five (5) years from and after the date 60 cycle service is available to Firestone, and in the absence of written notice being given by either party to the other of intention to terminate this contract at least sixty (60) days prior to the expiration thereof, the contract shall continue for another year, and from year to year thereafter until terminated by notice as prescribed herein. Five years rather than the normal three years is considered justifiable in order to enable Edison to recover the frequency change expense incurred at Firestone. If the entire \$150,000 is to be recovered in the five-year period, Edison will have to realize ten (10%) per cent net on its gross revenue from sales to Firestone.

In the event the portion of the load served by Edison does not equal one-half of the total plant requirements, the stipulations to the PC-1 Schedule described above under (a) and (b) will operate so as to guarantee a billing demand of at least one-half the total plant demand and will guarantee energy charges for at least one-half the total energy consumed in the entire Firestone plant. Thus, in effect, Edison is guaranteed a billing load factor equal to the total plant load factor.

Under this contract Firestone agrees that it will not parallel the operation of its generators with Edison's service, nor will the equipment connected to Edison's system be used for standby or breakdown service.

The contract contains the provision that it shall at all times be subject to such changes or modifications by the Public Utilities Commission as said Commission may from time to time direct in the exercise of its jurisdiction.

The application having been considered, the Commission being of the opinion that a public hearing is unnecessary, and that the contract as submitted is not adverse to the public interest and should be authorized, therefore

IT IS HEREBY ORDERED in Application 28688 that Southern California Edison Company be and it is hereby authorized to enter into that certain agreement with Firestone Tire & Rubber Company of California dated August 27, 1947, and to render electric service to said Firestone Tire & Rubber Company of California at the rates and under the terms and conditions set forth in said agreement.

The effective date of this Order is the date hereof.

Dated at San Francisco California, this 10th day of

October, 1947.

Harold P. Hill

Justin F. Agnew

Walter Powell

R. F. Johnson

(Commissioners)