

Decision No. 41206

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California Electric
Power Company for approval of special
contract for electric service to
Kaiser Company, Inc.

Application No. 28872

OPINION AND ORDER

In this application California Electric Power Company, hereinafter referred to as Applicant, requests approval and authority to execute a contract with Kaiser Company, Inc., hereinafter referred to as Consumer, covering electric service to the Eagle Mountain Iron Mine in Riverside County, California. A copy of the agreement is attached to and made a part of the Amendment to Application as Exhibit "A".

Under the terms of the agreement it is provided that Consumer will deposit with Applicant \$50,555.00 covering the construction and installation cost of the facilities to render electric service to the Eagle Mountain Iron Mine. Applicant will then construct approximately six miles of 33 kv transmission line from the Eagle Mountain Pumping Plant of the Metropolitan Water District to the Eagle Mountain Iron Mine of the Consumer and install the necessary transformers and metering facilities to provide electric service for the operation of the mining equipment..

In order to supply the present proposed load, additional transformer capacity of 450 kva will be installed by Applicant at the Eagle Mountain Pumping Plant of the Metropolitan Water District, and it will also construct a 450 kva substation at the Eagle Mountain Mine. Further, at any time during the term of this agreement the above-mentioned capacity may be increased to 1000 kva upon the request of Consumer, provided that the estimated construction cost, less salvage value of equipment removed, be first deposited with Applicant by Consumer.

The provisions for refund of the construction deposit made by Consumer are substantially the same as set forth in Applicant's Rule and Regulation No. 20, except that the period within which refunds can be made is fifteen (15) years under the agreement as compared with ten (10) years under Applicant's extension rule.

This service is to be rendered by Applicant in accordance with a special agreement entered into with the Southern California Edison Company, which in turn has a contract with the Metropolitan Water District of Southern California for the use of lands and spare transformer capacity at Eagle Mountain Pumping Plant of the District. These arrangements are covered by contracts filed with the Commission in Application No. 27120 and approved by Decision No. 38628. Under the Southern California Edison Company's agreement, Applicant is obligated to pay Edison certain fixed charges for the facilities used in supplying this service from the Metropolitan Water District's Eagle Mountain Pumping Plant.

Although the agreement with Consumer provides that service is to be rendered by Applicant at its regular filed rates, a special minimum charge of \$1,000.00 per month accumulative over each contract year, but in no case less than \$12,000.00 per year, is provided to include the annual fixed charges which Applicant is required to pay Southern California Edison Company.

The term of this agreement is for fifteen (15) years from and after the date of completion of the facilities to render the electric service, unless previously terminated in accordance with the provisions of the agreement.

It is further provided that this agreement is subject to such changes or modifications as may be ordered by this Commission from time to time in the exercise of its jurisdiction and that it shall not become effective until approved or accepted for filing by this Commission.

The Commission having considered the petition and being of the opinion that the application should be granted and that a public hearing in the matter is not necessary and good cause appearing, therefore

IT IS HEREBY ORDERED that California Electric Power Company is hereby authorized to consummate that certain agreement with Kaiser Company, Inc., dated October 1, 1947, a copy of which is attached to the Amendment to Application as Exhibit "A", to install the facilities and to render the service at the rates and under the conditions therein specified.

The effective date of this Order is twenty days from and after the date hereof.

Dated at San Francisco, California, this 10th day of February, 1948.

R. J. Dunderman
Justus P. Coe
Harold Russell
Harold P. Huls
Herbert R. Potter
Commissioners