

Decision No. 42538

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
SAN DIEGO GAS & ELECTRIC COMPANY,
a corporation, for the approval of
contracts with M. P. Barbachano and
Cia. Electrica Fronteriza, S. A., a
Mexican corporation, covering the
sale of electric energy for use at
Tecate and Tijuana, Mexico.

Application No. 29776

OPINION AND ORDER

San Diego Gas & Electric Company, hereinafter sometimes referred to as applicant, in this application asks the Public Utilities Commission to approve two agreements with M. P. Barbachano and Cia. Electrica Fronteriza, S. A., a Mexican corporation, hereinafter sometimes referred to as customer, covering the sale of electric energy to customer for distribution purposes at Tecate and Tijuana, Baja California, Mexico.

Copies of the proposed agreements are marked Special Contract No. 41 for the service at Tecate, and Special Contract No. 47 covering service at Tijuana, both of which are attached to and made a part of the application and designated as Exhibits A and B, respectively.

Electric service has heretofore been rendered to this customer in accordance with the provisions of existing contracts dated January 8, 1942, for electric service to Tecate, and February 20, 1945, for electric service to Tijuana, both of which are to be superseded by the two new agreements set forth in this application.

This Commission by Decision No. 35249, dated April 14, 1942, in Application No. 24709, authorized applicant to enter into an agreement with M. P. Barbachano and Border Telephone & Light Company, a Mexican corporation, for the sale of electric energy for distribution

in and about Tecate, Mexico, and by Decision No. 38240, dated September 25, 1945, in Application No. 26918, authorized applicant to carry out the terms of a contract, dated February 20, 1945 with M. P. Barbachano and Border Telephone & Light Company, for electric service delivered at Tijuana, Mexico.

Under the proposed Special Contract No. 41 covering electric service to Tecate, it is provided that such service shall be approximately 60 cycles per second, three-phase alternating current, metered and delivered on the United States side of the border, at 2,300 volts, or at 11,500 volts, with reasonable variation in voltage permitted. The amount of electricity to be furnished at 2,300 volts shall not at any time exceed a maximum demand of 500 kilowatts, nor a total amount of energy in excess of 2,500,000 kilowatt-hours per year. The customer may at any time during the term of the agreement, upon giving 60 days' written notice to the applicant, elect to take all service at 11,500 volts, in which event the amount of electricity to be furnished under the agreement shall not exceed a maximum demand of 1,000 kilowatts, nor a total amount of energy in excess of 5,000,000 kilowatt-hours per year. Further, in case of change to 11,500-volt delivery, service at 2,300 volts will thereupon be discontinued for the remainder of the term of the agreement.

The new Special Contract No. 47, as proposed for the rendering of electric service to Tijuana, provides for the supplying of alternating current of approximately 60 cycles per second, three-phase, metered and delivered on the United States side of the border, at 11,500 volts with a reasonable variation in voltage permitted. The amount of electricity to be furnished under this proposed agreement shall not at any time exceed a maximum demand of 7,000 kilowatts nor a total amount of energy in excess of 40,000,000 kilowatt-hours per year. The rate for the service under each contract is set forth as follows:

<u>Rate</u>	<u>Tecate</u>	<u>Tijuana</u>
Monthly Demand Charge:		
First 50 kw or less billing demand/month	\$ 90.00	\$ 90.00
Next 200 kw billing demand/month	1.25/kw	1.25/kw
Next 750 kw billing demand/month	1.00/kw	1.00/kw
All excess kw billing demand/month	1.00/kw	.80/kw
Plus Energy Charge:		
First 50 kwhr /kw billing demand/month @	.9¢/kwhr	.9¢/kwhr
Next 100 kwhr /kw billing demand/month @	.8¢/kwhr	.8¢/kwhr
Next 150 kwhr /kw billing demand/month @	.7¢/kwhr	.7¢/kwhr
All excess kwhr /kw billing demand/month @	.6¢/kwhr	.6¢/kwhr
Minimum Charge:		
Per month for 2,300 volt service	\$ 590.00	\$ 5,890.00
Per month for 11,500 volt service	1,090.00	
Fuel Clause:		
Base Rate as Above		
For Oil at	\$ 1.00/Bbl.	\$ 1.00/Bbl.
For Gas at	17.5¢/Mcf.	17.5¢/Mcf.
Incremental Charge:		
Oil: per 2- $\frac{1}{2}$ ¢ above or below base	0.007¢/kwhr	0.007¢/kwhr
Gas: per $\frac{1}{2}$ ¢ above or below base	0.008¢/kwhr	0.008¢/kwhr

It will be noted from the above that the rates under both contracts are identical, except that in the Tijuana contract, due to the larger load to be supplied, the minimum charge is higher and an additional block has been added to the demand charge for demands in excess of 1,000 kilowatts which is the maximum load allowed under the Tecate contract.

Under the previously authorized contracts, the rate levels differed for each point of delivery. The Tecate service was rendered at 2,300 volts under applicant's filed Schedule L-2 and also at 12,000 volts for power service to the malt plant which was billed under applicant's filed Schedule P-1, neither of which schedules carried a fuel cost differential clause. The Tijuana contract for many years, however, has contained a rate having a fuel cost adjustment.

Applicant states that in order to establish the same rates for both points of delivery it was advisable to incorporate a fuel cost differential clause in the Tecate contract. In order to maintain the combined charges for both deliveries at approximately the same level, adjustments were made in the base rates of the previous Tijuana contract to establish rates for the proposed contracts.

The terms of the new contracts are for a period of five years commencing May 31, 1948, and provide that the agreements shall continue from year to year thereafter, unless, and until, at least six months prior to the expiration of the first five-year term, or any subsequent anniversary, either party shall notify the other in writing of its desire to terminate the agreements at the expiration of said term or said year.

Both of these agreements provide that they shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may from time to time direct in the exercise of its jurisdiction.

It is further provided that these agreements shall also be subject to applicable rules, regulations or orders issued by the President of the United States of America or the Federal Power Commission.

Another provision of the proposed agreements is that applicant's consumers in the United States of America have prior right to service supply and applicant therefore reserved the right to discontinue service during any time that sufficient electric energy is not available to fulfill the provisions of the agreement.

Applicant, in an amendment to the application, presented certain statistics as to the effect of the proposed new contracts as

compared with the existing contracts and other rates which it has on file with this Commission. In addition, it was pointed out that on November 23, 1948, in Docket No. IT-5550 and Docket No. IT-5743, the Federal Power Commission granted authority to applicant to transmit electric energy to Tijuana and Tecate under the revised agreements involved herein.

The Commission having considered the request of applicant and being of the opinion that the agreements should be authorized, that a hearing in the matter is unnecessary, and sufficient cause appearing; therefore,

IT IS HEREBY ORDERED that San Diego Gas & Electric Company be and it is authorized to carry out the terms of the two agreements between itself and L. P. Barbachano and Cia. Electrica Fronteriza, S. A., each dated July 12, 1948, to render the service therein contemplated and to charge and collect the rates therein contained.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 23rd day of

February, 1949.

R. Z. Anderson
Justice J. C. Green
James H. Russell
Harold P. Killa
Berneth Potter
 Commissioners.