

ORIGINAL

Decision No. 40407

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
 PACIFIC GAS AND ELECTRIC COMPANY for
 an order of the Public Utilities Com-
 mission of the State of California
 granting and conferring upon applicant
 all necessary permission and authority
 to carry out the terms and conditions
 of a written contract entered into by
 and between applicant and the CITY OF
 ALAMEDA, dated August 11, 1949 (Exhibit
 "A" hereof).
 (Electric)

Application No. 30637

OPINION AND ORDER

Pacific Gas and Electric Company requests authority in its application to carry out the terms and conditions of a contract dated August 11, 1949 with the City of Alameda. A copy of said contract is attached to the application as Exhibit "A". Pacific, under that contract, is to deliver and sell to the City all the electric energy required by the City for its own use or for sale to the City's customers. The contracted energy is to be delivered at City's Central and Webster Street substations in the City of Alameda, and for emergency purposes only, at the point of connection of City's facilities with Pacific's No. 2 Bay Cable (to be discontinued when and if Pacific discontinues maintenance of said cable) near Singleton and Main Streets in the City of Alameda, at a nominal 11,000 volts.

The new contract under its provisions would become effective upon approval by this Commission, and would continue in force thereafter until August 27, 1954, and for an additional one (1) year period unless cancelled by written notice thirty (30) days prior to

that date. It would cancel and supersede the existing contract, dated July 13, 1945, which would otherwise expire August 27, 1950. Electric energy under the terms of the contract is to be supplied to and received and paid for by the City in accordance with all applicable rules and regulations of Pacific relating thereto, duly established from time to time and on file with this Commission. The contract further provides that it shall at all times be subject to such changes or modifications as this Commission may direct from time to time in the exercise of its jurisdiction.

The rates and charges to be paid by the City for electric energy to be furnished under said contract are as follows:

Demand Charge:

First 200 kw or less of maximum demand . . .	\$300 per month
Next 300 kw of maximum demand . . .	\$1.00 per kw per month
Next 500 kw of maximum demand75 per kw per month
Next 1,000 kw of maximum demand60 per kw per month
All excess kw of maximum demand40 per kw per month

Energy Charge (to be added to the Demand Charge):

First 150 kwhr per kw per month	7 mills per kwhr
Next 150 kwhr per kw per month	5 mills per kwhr
All over 300 kwhr per kw per month. . . .	4 mills per kwhr

Except that for all energy in excess of 8,000,000 kwhr per month, the above energy rates shall be reduced by 0.5 mill per kwhr.

Demand: The maximum demand in any month will be the maximum kw demand averaged over a 30-minute interval, but if the load is intermittent or fluctuates violently, a five-minute interval may be used. Graphically recording demand meters will be installed upon request of City, in which event demands occurring between 10:30 p.m. and 6:30 a.m. and on Sundays and holidays will be ignored in determining the billing demand.

Power Factor: The total charge will be decreased or increased 0.25%, respectively, for each 1% the average power factor of the City's load in that month is greater or less than 85%.

Since the new contract would provide for the reduction of energy rates by 0.5 mills per kwhr for all energy in excess of 8,000,000 kwhr per month, it appears appropriate that the power factor clause of the proposed contract should be amended to provide

for adjustment at the rate of 0.2% for each 1% of average power factor in those months when the energy delivered exceeds 8,000,000 kwhr, as is provided in Schedule P-31. Otherwise the rates provided in the new contract are the same as those in Schedule P-31 except that the billing demand will be the maximum 30-minute demand of the current month instead of the mean of that demand and the highest such demand occurring in the year ending with the current month.

Pacific, according to its 1948 annual report to this Commission, delivered to the City 100,972,600 kwhr of electric energy and received an average revenue of 6.75 mills per kwhr therefor. The maximum monthly demand accompanying that delivery was 28,344 kw; the average of the monthly maximum demands was 21,242 kw; and the annual load factor was 40.6%.

Pacific in its application states that the actual billing for the year ending June 30, 1949 was \$669,141.38 under the existing contract, and that the hypothetical billing for the same delivery under the new contract would be \$643,918.19. The annual reduction on that basis would be \$25,223.19, or 3.77%.

In its application, Pacific states that authorization of the contract will assure the retention of the City of Alameda as an electric resale customer, and alleges that fulfillment of the provisions of the contract will not constitute a burden but will be of benefit and advantage to Pacific's other electric customers. The Commission in Decision No. 38305, dated October 16, 1945, in authorizing Schedule P-31 for resale service by Pacific, recognized Pacific's right to meet in good faith competitive rates. It appears that no diminution has occurred in the competitive conditions which existed at the time that decision was issued. In granting the authorization herein requested, the Commission calls attention to

its position as stated in recent decisions that, if it should appear in a rate proceeding that any losses are being incurred because of deliveries under this contract, such losses are not to be imposed on Pacific's other electric customers.

The Commission having considered the request of the applicant and being of the opinion that the application should be granted and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be and it is authorized to carry out the terms and conditions of the written contract, dated August 11, 1949, with the City of Alameda, and to render electric service under the terms and charges stated therein, provided, however, that the power factor clause contained in Section 3 of said contract is amended to conform to the power factor clause as stated in Special Condition (d) of Schedule P-31.

IT IS HEREBY FURTHER ORDERED that Pacific Gas and Electric Company shall file as a matter of record in this proceeding a statement showing the date upon which service was first rendered under the contract authorized herein.

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

Dated at San Francisco, California, this 18th day of October, 1949.

R. E. Anderson
Justice J. Calver
David L. ...
Harold P. ...
Samuel H. Potter
Commissioners.