

ORIGINAL

Decision No. 14875

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  
Commission 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  
ROSEVILLE, dated September 6, 1950  
(Exhibit "A" hereof).

(Electric)

Application No. 31772

OPINION AND ORDER

Pacific Gas and Electric Company, a corporation, by the above-entitled application, filed September 20, 1950, requests an order of the Commission authorizing it to carry out the terms and conditions of a contract, dated September 6, 1950, with the City of Roseville. Said agreement relates to the sale by Pacific, and purchase by Roseville, of all the electric energy which shall be required by the city for its own use or for sale to the city's customers. The contracted energy is to be delivered by Pacific to the city's substation at the corner of Folsom Road and Rockridge Road in Roseville at a nominal electromotive force of approximately 4,000 volts. A copy of said contract is attached to the application, marked Exhibit "A," and by reference made a part hereof for all purposes.

The contract, under its provisions, would become effective upon approval by this Commission, and would continue in force and effect for a period of five years thereafter. The 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, as 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      | 50 kw or less of maximum demand.. | \$75.00 per month   |
| Next       | 150 kw of maximum demand.....     | 1.50 per kw per mo. |
| Next       | 300 kw of maximum demand.....     | 1.00 per kw per mo. |
| Next       | 500 kw of maximum demand.....     | .75 per kw per mo.  |
| Next       | 1,000 kw of maximum demand.....   | .60 per kw per mo.  |
| All excess | kw of maximum demand.....         | .40 per kw per mo.  |

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 |

Demand

The maximum demand in any month will be the average kw delivery of the 30-minute interval in which such delivery is greater than in any other 30-minute interval in the month, provided, however, that if the load is intermittent or subject to violent fluctuations, a 5-minute interval may be used.

Off-Peak Demand

City may, upon request, have its maximum demand measured by a type of meter which records the demand at all hours, in which case demands occurring between 10:30 p.m. and 6:30 a.m. of the following day and on Sundays and legal holidays will be ignored in determining the demand used for computing charges.

Power Factor

The total charge for any month as computed on the above rates will be decreased or increased, respectively, by 0.25% for each 1% that the average power factor of customer's load in that month was greater or less than 85%, such average power factor to be computed (to the nearest whole per cent) from the ratio of lagging kilovolt-ampere-hours to kilowatt-hours consumed in the month, provided,

however, that no power factor correction will be made for any month when maximum demand was less than 10% of the highest in the preceding 11 months.

The rates provided in the new contract are approximately 6% lower than filed tariff Schedule P-31 applicable to resale power service under a five-year contract. Schedule P-31 is in turn lower than Schedule P-6, under which Roseville has been purchasing energy without such a five-year contract. For the 12 months ended August 31, 1950, Roseville purchased 10,044,000 kwhr of energy; established demands ranging between 2,640 kw and 1,824 kw, and paid a total amount of \$83,798.54. Under this proposed contract the city would have paid \$74,275.56 for this same quantity of energy.

In the application Pacific states that the rate provisions of the proposed contract are substantially the same as those contained in resale contracts with the cities of Biggs, Gridley, Palo Alto, and Santa Clara which previously have been approved by this Commission. Applicant is seeking authorization of this proposed contract under the provisions of Section 17(b) of the Public Utilities Act of the State of California and Section X of the Commission's General Order No. 96, and states that the grant of such authorization will assure Pacific of the retention of Roseville as an electric resale customer for a five-year period. In view of expected growth in sales, Pacific states that these reduced rates will not constitute a burden upon Pacific's other electric customers but will, all things considered, be of benefit and advantage to said other electric customers.

In considering the contract and the justification presented in support thereof, we believe that authorization of the contract, under present conditions, is not contrary to the public interest. However, if in any rate proceeding it should appear 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 September 6, 1950, with the City of Roseville, and to render the service described therein under the terms, charges, and conditions stated therein.

IT IS HEREBY FURTHER ORDERED that applicant shall file with the Commission within thirty (30) days after the effective date of this order, a statement of the date on which the contract is deemed to have become effective and the date when the five-year term specified in Section 7 shall terminate, and applicant shall notify this Commission, within thirty (30) days after the date of termination of said contract, of such termination and the date thereof.

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

Dated at San Francisco, California, this 10<sup>th</sup> day of October, 1950.

R. E. Dunning  
Justus F. Calver  
Frank L. Russell  
Harold H. Hile  
Frederick R. Potter  
Commissioners.