

Decision No. 49357

ORIGINAL

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 appli-)
 cant all necessary permission and)
 authority to carry out the terms and)
 conditions of a written agreement)
 entered into by and between HERON)
 MILLS, INC., dated September 18, 1953)
 (Exhibit "A" hereof).)
 (Electric)

Application No. 34814

OPINION AND ORDER

In this application Pacific Gas and Electric Company re-
 quests authority to enter into a special agreement dated September 18,
 1953, with Heron Mills, Inc., located in the community of Central
 Valley, in the County of Shasta, California, near Shasta Dam. Said
 agreement provides for the supply of all electric energy and service
 by Pacific to Heron at a rate schedule competitive with a rate sched-
 ule offered Heron by the Shasta Dam Area Public Utility District. A
 copy of said agreement is attached to this application and marked
 "Exhibit A."

The application states that Pacific now is, and for some
 time has been, furnishing and supplying electric energy and service
 to Heron for the operation of the latter's machinery and apparatus
 originally under and in accordance with Pacific's filed Schedule
 P-15(b) which schedule was superseded on November 10, 1952, by filed
 Schedule A-13.

For the approximate 12-month period ending with the
 September 10, 1953, meter reading date, the bill of Heron amounted
 to \$8,155.01 under Schedule P-15(b) for the period September 23,
 1952, to November 10, 1952, and under Schedule A-13 from November 10,
 1952, to September 10, 1953. The application further states as a

comparison that, had Pacific charged for said electrical energy and service so furnished to Heron during the said approximate 12-month period at and in accordance with the rate provisions of said contract, the billings of said service would have aggregated \$4,906:40:

The contract states that Heron shall pay Pacific for electricity and service furnished in accordance with the following rates and conditions:

"RATE:

"Demand Basis: = For installations with connected loads aggregating more than 40 horsepower and with demands exceeding 20 kilowatts:

First	50 kwh per kw of billing demand at \$:02 per kwh
Next	100 kwh per kw of billing demand at \$:008 per kwh
Next	100 kwh per kw of billing demand at \$:006 per kwh
All excess	kwh per kw of billing demand at \$:003 per kwh

"MONTHLY-MINIMUM CHARGES:

"\$1.00 per kilowatt of billing demand but not less than \$20:00: The maximum demand meter to be installed and maintained on Customer's premises by Pacific. Said demand meter shall have an integrating interval of not to exceed 30 minutes but this interval may be reduced to 15 minutes or any standard interval of lesser duration as the character of the load may warrant. Billing demand shall be taken as either the maximum demand occurring during the current month or 75% of the maximum demand occurring during the eleven months immediately preceding, whichever is greater. Maximum demand may be estimated or determined by tests to be made by Pacific when mutually agreeable to both parties:

"POWER FACTOR:

"Pacific may require Customer to maintain, at its expense, suitable power factor corrective equipment to maintain a load power factor of at least 85% lagging during periods when the

demand is at or near its maximum. The power factor may be measured by a permanent meter installation installed and maintained by Pacific on Customer's premises or may be determined by periodic tests by Pacific. Should Customer fail to correct the power factor within a reasonable time after notification, Pacific may discontinue service until the installation of power factor corrective equipment has been made.

"PRIMARY VOLTAGE DISCOUNT:

"When Customer agrees to take service at the primary line voltage of 12,000 volts and furnishes and maintains its own transformers together with their protective fuses, switches and other substation devices required, a discount of 4% will be allowed on minimum bills and energy charges. Pacific will, at its option, either install primary metering equipment or will estimate the delivery at the point of connection with its primary line from the readings of its meters installed at or near the low voltage terminations of Customer's transformers."

The contract states that Pacific has agreed to meet the rates of the Shasta Dam Area Public Utility District's General Power Schedule P-1. The contract also provides that in the event of an increase or decrease in the District's General Power Schedule P-1 or if and when said Schedule P-1 is superseded by some other schedule of rates for general power service by the District, then Pacific shall be entitled to increase or decrease the said contract rates commensurately therewith.

Pacific alleges that the consummation of said agreement in accordance with its terms will enable Pacific to retain Heron as an electric customer, and that the furnishing and supplying of electric service by Pacific to Heron at and in accordance with the rates, terms and conditions contained in said agreement of

September 23, 1953, will not, all things considered, constitute a burden upon Pacific's other electric customers.

The contract is not transferable to any successor or assignee of Heron without the written consent of Pacific.

The term of this agreement is for a period of five years effective on September 23, 1953, and the agreement is to continue in effect until the expiration of the term, and thereafter until terminated by thirty days' written notice given by either party hereto to the other of a desire for such termination. The agreement further provides that at all times it shall be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission from time to time may direct in the exercise of its jurisdiction.

Recognizing the Commission's continuing jurisdiction over the subject matter of this agreement, applicant's request herein will be granted upon the premise that the rates charged under this agreement shall not be permitted to burden or prejudice other customers of Pacific. In the determination of reasonable rates and charges for electric service furnished to other customers, allowance will be made for revenues which would be received if the applicable filed tariff were charged for service rendered to Heron. However, the entitlement, granted Pacific by the contract, to increase or decrease the rates contained in said contract commensurately with an increase or decrease in the General Power Schedule P-1 of Shasta Dam Area Public Utility District or a superseding schedule, may not be exercised by Pacific without the prior authority of this Commission.

The Commission having considered the request of applicant and being of the opinion that the application should be granted under the aforesaid conditions 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 agreement with Heron Mills, Inc., dated September 18, 1953, and to render the service described therein under the terms, charges and conditions stated therein, provided, however, that Pacific Gas and Electric Company shall obtain further authorization from this Commission for any change in the rates or conditions applicable to service rendered under the contract.

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

Dated at San Francisco, California, this 24th day of November, 1953.

A. J. [Signature]
President
Justus J. [Signature]
[Signature]
[Signature]
[Signature]
Commissioners