

Decision No. 53232

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application for Approval of Contract)
between CALIFORNIA ELECTRIC POWER)
COMPANY and RIVERSIDE CEMENT COMPANY)
for Electric Service.)

Application No. 37925

OPINION AND ORDER

In this application California Electric Power Company asks authority to carry out the terms and conditions of an agreement dated March 22, 1956, with Riverside Cement Company, a corporation. A copy of the agreement is attached to the application and marked Exhibit A. This agreement provides for the installation of certain facilities by applicant to render service to that portion of customer's load which will exceed the generating capacity at its Oro Grande plant. Applicant states that the initial demand of that portion of the load it will serve will be approximately 3,000 kilowatts and, on the basis of such a demand, the annual revenue is estimated to be approximately \$205,000. The customer's maximum demand is limited by the agreement to 10,000 kilowatts. ✓

Applicant states that to render such service it must install:

- (a) Necessary take-off facilities from its 34.5 kv bus at its Victor Substation.
- (b) Approximately 8.5 miles of 34.5 kv transmission line from said Victor substation to the substation of Riverside Cement Company, located in the Southeast Quarter of the Southwest Quarter of Section 18, Township 6 North, Range 4 West, S.B.B. & M.

(c) 34.5 kv metering facilities at customer's substation. The estimated cost of these facilities is \$96,260.

Customer agrees that it will not, without applicant's written consent, disconnect any portion of its cement plant and quarry load being served by its own generating facilities and serve it from applicant's lines, nor will it disconnect any portion of the load being served by applicant and serve it from its own generating facilities. Customer further agrees that the electric energy and power service supplied hereunder shall in no way be used as stand-by for emergency purposes, for load-peaking on customers' generating system, nor sold to any other users.

The agreement states that service will be rendered at the rates of applicant's present Schedule P-2, or any other schedule hereafter in effect and applicable to customer's service, except that the monthly minimum charge will be \$3,000. Applicant maintains that the minimum charge set forth in the agreement is a special charge agreed upon by applicant and customer to insure applicant sufficient income to cover the overhead costs of the investment and facilities, including its operation, maintenance and depreciation, and to further protect applicant in the event the operations of customer decrease below the anticipated requirements.

Applicant's Rule and Regulation No. 15, Line Extensions, provides under Section E that customers requiring extensions of lines in excess of 12 kv are required to deposit with the company, in advance of construction, the entire estimated cost of the extension. Appropriate refunds of such deposits are provided for. In this instance, applicant avers that since the customer has an established plant and has entered into the firm 5-year contract, such a requirement is not necessary.

The date of initial service is defined in the agreement as

the date when applicant first renders service to customer, or the first date after December 31, 1956, that applicant is ready to render service, whichever is earlier. The agreement will remain in effect for five years from the date of initial service and will continue from year to year thereafter unless canceled by either party on not less than thirty days' notice prior to the expiration of said five-year period or any annual extension thereof.

The agreement provides that it shall be subject at all times 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. The agreement states further that it shall not become effective until authorized by this Commission.

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

IT IS HEREBY ORDERED as follows:

1. California Electric Power Company is authorized to carry out the terms and conditions of the agreement dated March 22, 1956, with Riverside Cement Company, and to render the service described therein under the terms, charges and conditions stated therein.
2. California Electric Power Company shall file with this Commission a statement showing the initial service date under said agreement and subsequently shall file a statement promptly after termination showing the date when said agreement was terminated.

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

Dated at San Francisco, California, this 12th day of June, 1956.

E. Mitchell
 President

Justin D. Caswell

Ray W. Winters

Mark D. Doolen

R. V. Hardy
 Commissioners