

ORIGINAL

Decision No. 57192

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of
CALIFORNIA ELECTRIC POWER COMPANY
for Approval of Certain Changes in
Agreement with IMPERIAL IRRIGATION
DISTRICT.

Application No. 40232

OPINION AND ORDER

By the above entitled application filed July 5, 1958, California Electric Power Company requests authority to carry out the terms and conditions of a letter agreement with the Imperial Irrigation District dated June 25, 1958. A copy of this letter agreement is attached to the application as Exhibit 1.

The letter agreement, Exhibit 1 herein, supplements and affects in certain particulars the basic Agreement for the Exchange, Sale and Purchase of Electric Energy, dated October 15, 1943, authorized by Decision No. 36622, in Application No. 25761, as amended pursuant to the authorization in Decisions Nos. 45485, 52710, 53660, 54652 and 56350.

Previous letter agreements amending the basic agreement are in effect until June 1, 1959, or the effective date of Participation Agreement No. 1 under the power coordination agreement dated December 4, 1956, between the applicant, the District, and the Arizona Public Service Company, whichever is earlier.

The letter agreement dated June 25, 1958, states that it would be mutually advantageous for applicant and Imperial Irrigation District to reduce the rates for energy deliveries between the

parties and proposes to cancel and terminate Appendix "A" to the letter agreement of April 11, 1956 and to replace it by Appendix "A" attached to said letter agreement dated June 25, 1958.

The applicant believes that the reduction of rates will encourage both parties to exchange electric energy, which will be profitable to both the applicant and District.

Applicant estimates that under the reduced rate proposed herein the District will purchase approximately 11,000,000 kilowatt-hours of surplus energy during the months of July, August and September 1958, which applicant will have available but which District will not purchase at the present rate. Under the proposed rate, which is approximately $\frac{1}{2}$ mill per kilowatt-hour above the cost of such incremental energy, applicant estimates it will derive a profit of approximately \$5,500.

The reduction of rates will be accomplished by the reduction of coefficients in the formulae of incremental energy cost per kilowatt-hour given in Appendix "A" of the letter agreement.

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

IT IS HEREBY ORDERED as follows:

1. That California Electric Power Company be and it is authorized to carry out the terms and conditions of the letter agreement, dated June 25, 1958, with Imperial Irrigation District.

2. That California Electric Power Company shall file a statement with this Commission showing the date when said letter agreement became effective and, after termination, showing the date when the agreement was terminated.

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

Dated at San Francisco, California, this 19th day of August, 1958.

E. J. Fox
President
W. L. ...
Michael ...
Thomas ...
Commissioners