

Decision No. 33337

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of PACIFIC GAS AND ELECTRIC COMPANY, a corporation, for an order of the Railroad Commission authorizing Pacific to enter into agreements with BLAGEN LUMBER COMPANY and STOCKTON BOX COMPANY in words and figures as written in the forms therefor which are annexed hereto and made a part hereof, and authorizing Pacific to do all things necessary and proper to consummate said proposed agreements fully in accordance with their terms, etc.

Application No. 23581

ORIGINAL

BY THE COMMISSION:

OPINION AND ORDER

This is an application of Pacific Gas and Electric Company, hereinafter sometimes referred to as Pacific, for an order authorizing applicant corporation to enter into certain written agreements with Blagen Lumber Company and Stockton Box Company, hereinafter sometimes referred to as "Blagen" and "Stockton" respectively. Copies of said agreements marked Exhibits "Z" and "B" are attached to and made a part of the application. Some of the more pertinent features and conditions of said agreements cover:

1. The sale by Pacific and the purchase by Blagen and Stockton of electricity for the operation of the electric equipment at Blagen's mill near the unincorporated town of White Pines in the County of Calaveras, State of California.
2. Blagen and Stockton guarantee to Pacific a gross annual revenue of \$5,607 under said proposed electric agreements for a period of five years from and after the date of the meter set.

3. Pacific will construct, install, operate and maintain at its own expense the necessary transmission and distribution facilities essential to and at the aforesaid mill for the furnishing of the electric service.
4. Blagen and Stockton will not operate the existing steam and electric generating equipment at the mill after Pacific's electric service becomes available and will in fact have said equipment removed before the expiration of the five-year period.
5. Blagen will sell to Pacific and the latter will purchase from the former, upon completion of the aforesaid installation to the mill, Blagen's electric distribution system (a sketch of which is presented by Exhibit "A" attached to the application) extending from the mill to and in the town of White Pines together with the necessary rights-of-way for the sum of \$3,038.
6. Pacific will furnish electric service to the mill and to consumers from the distribution system as well as to residences along the transmission right-of-way in accordance with rates, rules and regulations on file with the Railroad Commission.

In support of the request made for the authorization sought Pacific states that Blagen is the owner of a lumber mill near White Pines which is operated by Stockton under a lease agreement, that at the present time necessary power at the mill is supplied by steam turbines and associated electric generating equipment installed at the mill, and in addition the mill plant now supplies what electric energy is used in cabins and homes owned or occupied by persons employed directly or indirectly in the operations of said mill. It is further represented that said energy to such persons is unmetered and no direct charge is made for the same.

Pacific states that, in order to furnish public utility service to the mill and to the employees in residence in the town of White Pines and adjacent areas, it will be necessary for Pacific to extend its transmission system approximately $10\frac{1}{2}$ miles and this, together with the purchase price of the local distribution system in the amount of \$3,038 plus the installation of

the necessary meters and services, will call for a total expenditure estimated at approximately \$37,000.

From this proposed service Pacific estimates that it will derive a gross annual revenue of approximately \$11,400.

The power sale agreement as specifically set forth under Exhibit "B" provides for the Commission continuing jurisdiction as required by General Order No. 53.

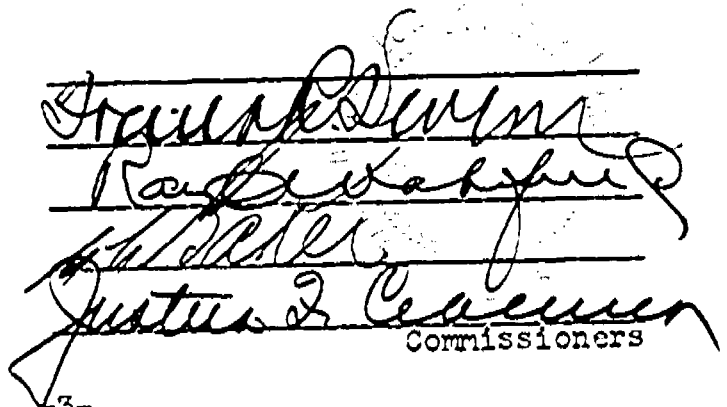
The Commission having considered the request of Pacific and being of the opinion that the application should be granted, a public hearing in the matter is not necessary and good cause appearing, therefore

IT IS HEREBY ORDERED that Pacific Gas and Electric Company is hereby authorized to enter into those certain proposed agreements with Blagen Lumber Company and Stockton Box Company set forth as Exhibit "Z" and "B" of the application and to charge the rates specified, purchase, construct, operate and maintain the necessary facilities to render the public utility service required and to otherwise consummate said proposed agreements fully and in accordance with the terms and provisions thereof.

Pacific Gas and Electric Company shall file two copies of the agreement under Exhibit "Z" with the Railroad Commission within thirty (30) days after its execution.

The authority herein granted shall become effective as of the date hereof.

Dated at San Francisco, California this 30th day of July, 1940.


Commissioners