

Decision No. 34796**ORIGINAL**

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
 TURLOCK IRRIGATION DISTRICT and
 PACIFIC GAS AND ELECTRIC COMPANY for
 an order authorizing applicants to
 enter into an agreement, in form as
 submitted herewith, relating to the
 sale and delivery of electric energy,
 and the use at times by each applicant
 of portions of certain of the other's
 electric transmission facilities.

Application No. 24545

BY THE COMMISSION:

OPINION AND ORDER

Turlock Irrigation District and Pacific Gas and Electric Company have applied for authorization to enter into a written agreement for the purpose of embodying in a single contract their respective rights and obligations under two existing contracts, to change certain of the requirements relative to the delivery, purchase, and sale of electric energy as between the parties, and to extend the service area of the Turlock Irrigation District. A copy of the proposed contract, marked Exhibit A, is attached to and made a part of the application. The proposed agreement between Turlock Irrigation District, sometimes hereinafter referred to as Turlock, and Pacific Gas and Electric Company, also referred to as Pacific, makes provision for termination of contracts dated July 1, 1929 and January 11, 1932 entered into pursuant to authorization contained in Decisions No. 21575 and No. 24552 respectively. The principal proposed changes from the original contracts may be briefly summarized as follows:

1. Turlock's service area is extended to include some six sections of land adjacent to its present boundary.

2. Turlock is relieved of the necessity of delivering to Pacific 48,000 kilowatt-hours of energy per day during the months of January to May, inclusive; except that Turlock may elect to deliver up to this quantity during the months of March, April and May and receive payment therefor at the rate of $4\frac{1}{2}$ mills per kilowatt-hour.
3. Pacific is relieved of the necessity of selling hydro energy to Turlock at the rate of $4\frac{1}{2}$ mills per kilowatt-hour under certain emergency conditions. Under the proposed contract Pacific will receive the presently effective demand and energy charges for all energy sold to Turlock in order to enable Turlock to fulfill the terms of the agreement or for its own uses.

Rates for the sale of Turlock's energy at 2 mills, 3 mills and $4\frac{1}{2}$ mills per kilowatt-hour are not to be altered except for changes in quantity as noted above.

During March to May, inclusive, when Pacific may be required to take Turlock's hydro-electric output, this is the season of the year when Pacific normally has some surplus from its own hydro-electric plants and, accordingly, any purchases made should be limited to Pacific's needs and at appropriate rates. However, since the proposed agreement here before the Commission for authorization is essentially for the purpose of combining and consolidating existing agreements which do not terminate until March 11, 1954, and further, because Pacific's power purchase requirements from January to May are lowered, the Commission under the circumstances is believed justified in granting the necessary authorization. In doing so, however, it is only fair that both parties should be placed upon notice that in the future, if the requirements of the agreement appear unduly burdensome

and detrimental to Pacific's other customers, then the Commission will feel justified in taking appropriate steps to remedy this condition.

The Commission also notes that, apparently through an oversight, no reference is made to this Commission's continuing jurisdiction as required by General Order No. 53.

Inasmuch as this appears not to be a matter that requires a public hearing and sufficient cause being shown;

IT IS HEREBY ORDERED that Pacific Gas and Electric Company may, on or before January 31, 1942, execute an agreement with the Turlock Irrigation District substantially in the form as filed with this application as Exhibit "A" and including the provision in reference to the Commission's continuing jurisdiction and thereafter to carry out the provisions of said agreement. Two copies of the executed agreement shall be filed with the Commission.

This Order shall become effective on the date hereof.

Dated at San Francisco, California, this 25th day of November, 1941.

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 Commissioners.