

Decision No. 38257

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

Application of CALIFORNIA ELECTRIC
POWER COMPANY for an order author-
izing the extension of a line to
Twenty-nine Palms.

ORIGINAL

Application No. 26808

BY THE COMMISSION:

O R D E R

California Electric Power Company filed its original application in this proceeding June 18, 1945 and its first supplemental application herein on August 25, 1945. In the application the Company seeks an order that public convenience and necessity require or will require the interconnection of its electric system in Twenty-nine Palms to the remainder of its electric system. It likewise seeks a modification of the method, specified by Decision No. 37146, of accounting for the Electric Plant Acquisition Adjustment resulting from the purchase of the Twenty-nine Palms system.

In Application No. 26099, wherein the purchase of the Twenty-nine Palms properties by the Company was considered, the Commission was advised in a general way of the plan to construct the transmission line, for which formal authorization is now being sought, and, upon completion thereof, to file rates charged by the Company in other comparable territory, thereby effecting a substantial reduction in electric charges to Twenty-nine Palms consumers.

The proposed line will be approximately 45 miles in length, extending from the Company's Garnet substation, in Riverside County, adjacent to the Banning-Indio highway, to the community of Twenty-nine Palms in San Bernardino County. The line will be operated at 33,000 volts and its cost is estimated by the company at \$120,000. It will traverse Morongo Valley, Yucca Valley and

Joshua Tree Townsite and upon completion will make available, through the company's regular extension rules, electric service to substantially all of the potential customers in these areas.

The completion of the line, it is alleged, will make available to customers more abundant and reliable service at rates approximately 20% below the present level. This will be possible because of the availability of the company's large central station energy sources to the area by means of the line and because of the discontinuance, except for standby purposes, of the relatively high cost diesel generating plants now used as a source of supply.

The company holds operating franchises in Riverside and San Bernardino Counties and this Commission's certificate to exercise such franchises by reason of Decision No. 4597 in Application Nos. 3047 and 3049.

It was further asserted intention of the company upon completion of the line to make effective in the Twenty-nine Palms territory its present Zone S rates. On September 17, 1945, the company filed with the Commission revisions of its rate schedules which will accomplish this rate reclassification, and requested that the schedules be made effective as of the date power is available from the line.

With respect to the modification of the accounting procedure to be used in connection with the amortization of the Electric Plant Acquisition Adjustment required by Decision No. 37146, the Commission is, as yet, not prepared to make a final order. This matter will have the further consideration of the Commission and final disposition thereof will be directed by supplementary order.

The Commission is of the opinion that the necessary transmission facilities should be constructed in order to interconnect Applicant's electric system in Twenty-nine Palms to the remainder of its system. It would likewise seem desirable that the need for that portion of the present generating facilities which Applicant proposes to retain as standby equipment should be re-examined at an early date. Experience in operating the proposed line should

permit a more comprehensive analysis of the economic factors and operating characteristics upon which the eventual retention or disposal of the generating equipment should be predicated. Generally such standby is costly and the standard of service that will be available under central station operation should be fully as good or better than in the past. Under the circumstances the Commission is of the opinion that the application should be granted in part and that a hearing is unnecessary, and good cause appearing,

It Is Hereby Found As A Fact that present and future public convenience and necessity require or will require the construction of a transmission line connecting Applicant's Twenty-nine Palms electric system to the remainder of its electric properties, therefore

IT IS HEREBY ORDERED that California Electric Power Company be and it is hereby granted a certificate that present and future public convenience and necessity require or will require the construction of an electric transmission line from Garnet to Twenty-nine Palms, and authorized to construct said facilities and to inaugurate the operating procedures contemplated in the original and first supplemental applications herein.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California this 25th day of September 1945.

David Anderson
Justin F. Coakley
Richard Lashier
Edward J. Quinn
Walter H. Russell
Commissioners