ORIGINAL

Decision No. <u>42710</u>

BG.

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SAN DIEGO GAS & ELECTRIC COMPANY, a corporation, for the approval of its contract with San Diego Transit System, formerly San Diego Electric Railway Company, covering the sale of electric energy.

Application No. 24345

OPINION AND ORDER ON SECOND SUPPLEMENTAL APPLICATION

In this second supplemental application, the San Diego Gas and Electric Company (Applicant) requests an order of this Commission approving an agreement with San Diego Transit System (Transit), formerly San Diego Electric Railway Company. The agreement modifies and supplements a contract dated January 1, 1941, relating to the sale and delivery of electric energy by Applicant to Transit, authorized July 21, 1941 by Decision No. 34432, together with a modifying agreement dated April 17, 1946, as authorized May 28, 1946 by Decision No. 39027. The contract and initial modification are parts, respectively, of the original application and of the first supplemental application herein.

The contract as modified April 17, 1946 was for a term running until December 31, 1948. The supplemental agreement for which authority is requested in the second supplemental application would extend the term of the contract to and including April 30, 1949, and would modify the termination provisions of the contract, Section XIII, so as to provide for the final discontinuance of the supply of railway power by Applicant to Transit.

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This Commission by Decision No. 42649, dated March 29, 1949, in Application No. 29969, granted authority to the San Diego Transit System to discontinue its remaining street-rail operations and to establish motor bus operations in lieu thereof. Under the arrangements for termination of the electric contract, which are contained in the proposed modifying agreement, such remaining electric service as Transit may require will be supplied and charged for in accordance with Applicant's regularly filed rates, rules and regulations. All 12,000volt connections from Applicant's system to Transit's substations, and all direct current feeders at Applicant's Station "B" used for Transit's service, except a single temporary 500-volt circuit to supply direct current motor-driven equipment at Transit's Ferry Terminals, will be permanently disconnected as of April 30, 1949. Within 90 days after April 30, 1949, Transit is to remove from the premises of Applicant at Station "B" all of Transit's equipment located thereon, or in lieu thereof such equipment shall at that time become the property of Applicant.

This second supplemental application having been filed on March 28, 1949, and since it is desirable that this order be effective on or before April 30, 1949, the order herein will provide less than the usual 20-day period between the date of issue and the effective date thereof.

Applicant and Transit having negotiated and accepted the terms and conditions of the supplemental agreement dated February 21, 1949, and it being evident that discontinuance of the street-rail operations of Transit will change the volume and character of Transit's electric energy requirements so as to make desirable the discontinuance of the delivery of electric service by Applicant under the conditions of sale provided in the contract dated January 1, 1941 as modified, and the Commission being of the opinion that the agreement of

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February 21, 1949 in modification of said contract is reasonable, and that a public hearing in the matter is not necessary, and good cause appearing; therefore,

IT IS HEREBY ORDERED that San Diego Gas and Electric Company is authorized to carry out the agreement dated February 21, 1949, with San Diego Transit System, a copy of which is attached to the second supplemental application herein, and to render electric service at the rates and under the terms and conditions as set forth therein.

The effective date of this order shall be eighteen (18) days after the date hereof.

Dated at San Francisco, California, this 12th day of April, 1949.