

Decision No. 23153

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of California Electric Power Company relative to exportation of electric energy to Mexico.

Application No. 30504

OPINION AND ORDER

In this application California Electric Power Company requests an order authorizing the continued sale by it of electric energy for use in Mexico in quantities greater than as authorized January 21, 1947 by Decision No. 39883 in Application No. 28135. Applicant's customer for energy delivered into Mexico is Industrial Electrica Mexicana S.A., a direct subsidiary wholly owned by applicant.

At the time Decision No. 39883 was issued, applicant estimated that by 1951 its sales for use in Mexico would be 32,500,000 kWhrs with a demand of 8,460 kw from its California Division, and 4,500,000 kWhrs with a demand of 2,100 kw from its Arizona Division. However, those sales have increased more rapidly than was anticipated and applicant now estimates that its deliveries will be as follows:

Year	California Division				Arizona Division	
	Near Calexico	Kw	Near Andrade	Kw	Near Gadsden	Kw
1949	33,600,000	7,700	10,200,000	2,200	3,500,000	1,200
1950	37,000,000	8,500	4,000,000	2,000	3,750,000	1,300
1951	40,300,000	9,250	1,000,000	400	600,000	140
1952	43,500,000	10,000	1,050,000	400	650,000	150
1953	46,600,000	10,500	1,100,000	420	670,000	160

The estimated deliveries for 1949 and 1950 near Andrade consist mostly of temporary construction loads for the Morelos Dam in Mexico. The estimated deliveries near Gadsden reflect the expected displacement of the present agricultural pumping by the use of gravity water available

upon completion of the Morelos Dam. For the year 1948 applicant reported the delivery of 32,073,000 kWhrs from its California Division to its Mexican customer, and revenue therefrom amounting to \$336,726.

The energy applicant sells from its California Division for use in Mexico is purchased by applicant from the Imperial Irrigation District near the points of exportation. Applicant's facilities for transmission of this energy consist of short lengths of electric lines and associated equipment. Although applicant's main system, located north of the Imperial Irrigation District, is interconnected with the system of said District, applicant estimates that the District will have a margin, ranging from 1,400 kw to 20,400 kw during the period 1949 to 1953, between the capacity of its own and contracted sources and its peak demands, including the demands imposed by applicant's Mexican business.

Applicant states that the delivery of energy into Mexico involves no dilution of its California revenues. Information in the application and in applicant's annual report indicates that the average rate to be received by applicant for such sales from its California Division is sufficiently greater than the price applicant will pay to the Imperial Irrigation District for the energy needed to supply its export business as to provide for the operating costs of the limited facilities and other indirect costs associated with the delivery. The rates charged the purchaser by applicant for energy which goes into Mexico are stated in agreements, copies of which previously were filed with this Commission as Exhibits A to F inclusive in Application No. 28135. Applicant is not at this time requesting authority for a change in those contracts or as to the rates contained therein.

The Commission believes that the continued sale of electric energy for use in Mexico by applicant through its California Division in the larger quantities, approximating those estimated for the year

1949 to 1953, will not interfere with applicant's ability to furnish adequate service to its present customers on its main system in California, and will not impose a cost burden upon applicant's California customers.

The Commission having considered the request of applicant and being of the opinion that the requested authorization should be granted for the period of the coming five years, and that a public hearing in the matter is not necessary, therefore,

IT IS HEREBY ORDERED that California Electric Power Company be and is authorized during the five-year period following the effective date hereof to continue the sale of electric energy by its California Division in substantially the quantities described above and under the terms and conditions set forth in Exhibits A to F attached to Application No. 28135.

The effective date of this order shall be twenty (20) days after the date hereof.

Dated at San Francisco, California, this 9th day of

August, 1949.

R. E. Duntzman
Donald P. ...
Commissioners.