

ORIGINAL

Decision No. 43674

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
 PACIFIC GAS AND ELECTRIC COMPANY for
 an order of the Public Utilities
 Commission of the State of California
 granting and conferring upon applicant
 all necessary permission and authority
 to carry out the terms and conditions
 of a written contract entered into by
 and between applicant and PLUMAS-SIERRA
 RURAL ELECTRIC CO-OPERATIVE, INCORPORATED,
 dated October 26, 1949 (Exhibit "A" hereof).
 (Electric)

Application No. 30843

OPINION AND ORDER

Pacific Gas and Electric Company, in this application, requests authority to carry out the terms and conditions of a contract dated October 26, 1949 with Plumas-Sierra Rural Electric Co-operative, Incorporated. A copy of said contract is attached to the application as Exhibit "A". Under the contract Pacific is to deliver and sell to Plumas-Sierra all electric energy required by Plumas-Sierra for its own use and for resale to its customers. Energy is to be delivered at a point about three miles East of Quincy near the State Highway at approximately 44,000 volts.

The new contract, if approved by the Administrator of the Rural Electrification Administration would become effective upon approval by this Commission and would continue in force for a period of five years. The approval of the Administrator is evidenced by a copy of notice from the Department of Agriculture, Rural Electrification Administration, dated November 16, 1949, attached to Exhibit "A". Upon becoming effective, the new contract would cancel and supersede an existing contract dated June 20, 1942 under which Pacific is selling electric energy to Plumas-Sierra in accordance with the terms of

Pacific's Schedule P-6. Under the new contract electric energy is to be supplied to and received and paid for by Plumas-Sierra in accordance with all applicable rules and regulations of Pacific relating thereto, duly established from time to time, and on file with this Commission. The contract further provides that it shall at all times be subject to such changes or modification as this Commission may direct, from time to time, in the exercise of its jurisdiction.

The rates and charges to be paid by Plumas-Sierra are stated in the contract and are the same as those in Pacific's Schedule P-31, except that the billing demand will be the maximum 30-minute demand of the current month instead of the mean of the maximum 30-minute demand of the current month and the highest such demand occurring in the year ending with the current month.

Pacific, according to its 1948 report to this Commission, delivered to Plumas-Sierra 3,815,200 kWhrs and received an average revenue of 7.65 mills per kilowatt hour therefor. The annual maximum demand of that delivery was 989 kw; the average of the monthly maximum demands was 831 kw and the annual load factor was 43.9%. In its application Pacific states that the actual billing for the year ending June 30, 1949 was \$33,172.16, and that the hypothetical billing for the same delivery under the new contract would have been \$32,374.07. The annual reduction on that basis would be \$798.09 or 2.41%.

In its application Pacific states that authorization of the contract will assure the retention of Plumas-Sierra as an electric resale customer, and alleges that fulfillment of the provisions of the contract will not constitute a burden, but will be of benefit and advantage to Pacific's other customers. In granting the authorization herein requested, the Commission calls attention to its position as stated in recent decisions that if it should appear in a rate proceeding that any losses are being incurred because of deliveries under this contract, such losses are not to be imposed on Pacific's other customers.

Under Provision 9 of the new contract neither party thereto, unless by written consent of the other party, shall duplicate the other's facilities, or distribute or furnish electric energy to (A) anyone who, at the time of the proposed service, is receiving electric energy from the other, or (B) any premise which is served electric energy by the other party or is capable of being served electric energy by means of a shorter line extension by the other party. In authorizing Pacific to carry out the terms and conditions of the new contract, we are not at this time passing upon the reasonableness of said Provision 9, and the contracting parties are hereby placed upon notice that the action taken herein by the Commission is not to be construed as an approval of said provision.

The Commission having considered the request of applicant and being of the opinion that the application should be granted, and that a public hearing is not necessary, therefore,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be and it is authorized to carry out the terms and conditions, except as heretofore indicated, of the written contract dated October 26, 1949 with Plumas-Sierra Rural Electric Co-operative, Incorporated and to render the electric service and charge and collect the rates under the terms and conditions stated therein.

IT IS HEREBY FURTHER ORDERED that Pacific Gas and Electric Company shall file as a matter of record in this proceeding a statement showing the effective date of the contract authorized herein and the date upon which billing commences for service under said contract.

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

Dated at San Francisco, California this 4th day of January, 1950.

R. E. Johnson
Justice J. Callahan
Joseph H. Kroll
Harold A. Kula
Herbert H. Pottel
Commissioners.