

ORIGINAL

Decision No. 44198

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 CALIFORNIA-
 PACIFIC UTILITIES COMPANY, dated
 February 15, 1950 (Exhibit "A" hereof)
 (Electric)

Application No. 31352

OPINION AND ORDER

In this application Pacific Gas and Electric Company, herein referred to as Pacific, asks authority to carry out the terms and conditions of a contract dated February 15, 1950 with the California-Pacific Utilities Company. A copy of said contract is attached to the application, marked Exhibit A, and by reference made a part thereof. Said contract provides for the delivery and sale by Pacific and the receipt and purchase by California-Pacific of all of the electric energy required by the latter for its own use and for sale to its customers within its service areas in the counties of Plumas and Lassen. Under the contract, energy is to be delivered at Pacific's substation in Chester at 6,600 volts and at Pacific's switching station in Westwood at approximately 60,000 volts.

The contract provides that it shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may, from time to time, direct in the exercise of its jurisdiction. Upon becoming effective the proposed contract will cancel and supersede the existing contract

dated December 2, 1946. Pacific's deliveries during 1949 under the present contract were 21,756,000 kwhr at Westwood and 2,617,800 kwhr at Chester, for which it received \$148,097.93 and \$23,300.50, respectively.

The new contract provides that all energy furnished thereunder shall be supplied to and received and paid for by California-Pacific in accordance with all applicable rates, rules and regulations, duly and regularly established from time to time by and under authority of law and on file with the Public Utilities Commission of the State of California, and relating to the furnishing by Pacific of electric energy. The contract further provides that the rates and charges to be paid shall be in accordance with Pacific's Schedule P-6 through the application of Rate (A) thereof for deliveries at Chester and Rate (B) thereof for deliveries at Westwood. Each point of delivery is to be separately metered and separately billed. In its application Pacific states that since entering said contract Pacific's Schedule P-6 (Revised Cal. P.U.C. Sheet No. 1513-E), copy of which is attached to the contract, has been revised as of April 15, 1950 in accordance with the Commission's Decision No. 43972, dated March 21, 1950, and states further that upon the taking effect of said contract the rates and charges of Revised Schedule P-6 (Revised Cal. P.U.C. Sheet No. 1852-E) will be applied unless said rates and charges shall be modified by or with the approval of the Commission, in which event the applicable rates and charges last established will be charged for service supplied under said contract. Except in two respects, the provisions of said contracts conform to the provisions of Pacific's filed tariffs. These are (1) the term of the contract and (2) a requirement of 90-day notice to Pacific by California-Pacific in the event of an increase exceeding 112 kilowatts in deliveries by the latter to its existing customers.

The term of the contract is for five years following the date when Pacific is ready to deliver and California-Pacific is ready to receive service at 60,000 volts at Westwood and thereafter until terminated by six months' written notice given by either party. In this connection Pacific alleges that it now is supplying California-Pacific at Westwood at 33,000 volts, that California-Pacific requested the increase of delivery voltage to 60,000 volts, that in order to comply with said request and fulfill its obligations under the contract, it is necessary for Pacific to expend approximately \$38,000 and that, in view thereof, the parties have entered into said contract for an initial term of five years. Although the enlargement of facilities by a utility to care for expanded needs of its existing customers would not, in the usual case, warrant the establishment of a contract obligating the customer to take service for a term beyond that required by filed tariffs, the Commission is of the opinion that the initial five-year term provided by the contract here considered is reasonable under the circumstances.

The provision in the contract that California-Pacific shall not increase its delivery to any of its existing customers by more than 112 kw (150 hp) without first giving Pacific prior written notice apparently has been carried forward from the existing contract, and is somewhat similar to a provision in a predecessor contract dated June 1, 1935 between Red River Lumber Company and California Utilities Company. In view of the increased capacity of Pacific's delivery facilities and the increase in California-Pacific's energy requirements during recent years, it would not seem appropriate for the parties to continue such provision beyond the initial five-year term. Both Pacific and California-Pacific

will be expected to cooperate to all reasonable extent in the furnishing of electric service for the use of ultimate consumers in the area.

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 of a written contract dated February 15, 1950 with the California-Pacific Utilities Company, and to render the service described therein under the terms, charges, and conditions, stated therein.

IT IS HEREBY FURTHER ORDERED that Pacific Gas and Electric Company shall notify the Commission (1) as to the date upon which said contract is deemed to become effective, and (2) within thirty days after termination of said contract, as to the date of termination thereof.

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

Dated at San Francisco, California, this 23rd day of May, 1950.

R. E. Dwyer
Justus J. Cravens
Walter R. Russell
Harold P. Hule

Commissioners.

Commissioner Kenneth Potter, being necessarily absent, did not participate in the disposition of this proceeding.