

ORIGINALDecision No. 45213

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
 PACIFIC GAS AND ELECTRIC COMPANY, a
 corporation, for an order of the
 Public Utilities Commission of the
 State of California granting and con-
 ferring upon applicant all necessary
 permission and authority to carry out
 the terms and conditions of a written
 agreement with GLENCO FOREST PRODUCTS,
 dated November 4, 1950, (Exhibit "A"
 hereof).

(Electric)

Application No. 31948

O P I N I O N

In this application, Pacific Gas and Electric Company asks for authority to carry out the terms and conditions of an agreement dated November 4, 1950, with Glenco Forest Products which provides for extension of high voltage electric lines and facilities to Glenco's lumber mill near Elk Creek, Glenn County. A copy of the agreement is attached to the application and marked Exhibit "A."

Pacific's filed electric Rule and Regulation No. 15, which sets forth the bases on which electric line extensions will be made by the company, provides that in exceptional cases or in case of the extensions of high voltage lines, the company may refer the matter to the Commission for special ruling or for the approval of special conditions.

It is reported that in order to provide the electric service contracted for by Glenco, it will be necessary for Pacific to furnish and install approximately 24 miles of 60 kv transmission line and 1 mile of 12 kv distribution line, a 60/12 kv substation with three 1,000 kva transformers and three 500 kva, 12,000/480 v transformers with their associated facilities, at an estimated cost of \$245,000.

Pacific and Glenco have therefore entered into an agreement relative to the making of the extension and the assignment of costs therefor and have submitted said agreement for this Commission's approval.

The agreement provides that Glenco shall pay Pacific any portion of the cost of making said extension in excess of \$175,000, but that Glenco shall not be obligated to pay more than \$70,000. Payment of \$14,000 is to be made immediately upon execution of the agreement and the balance in four equal installments on each of the first four anniversaries of the date of execution of the contract, with interest on the unpaid amount at the rate of 6% per annum. However, Glenco has the right at any time to pay any or all of said installments, together with interest then accrued, prior to the due dates.

The rates and charges for electric energy supplied to Glenco are, by terms of the agreement, those set forth in Pacific's tariff Schedule C-6 or such other applicable schedule as may hereafter be authorized. Pacific has estimated that the yearly gross revenue to be derived from the sale of energy to Glenco will be \$35,000.

Pacific will therefore, it appears, expend five years of such estimated revenue as its portion of the extension costs.

In the event that new permanent load, other than Glenco's, is connected directly to the facilities to be installed to supply Glenco, Pacific will refund to Glenco a sum equal to five times the amount of the estimated annual revenue to be derived from the sale of electric energy to said new permanent load. The total of all refunds, however, shall not exceed the portion of the extension cost paid by Glenco, nor shall any refund be made on account of any new permanent load supplied after the expiration of 10 years from the date of completion of the extension.

The term of the agreement is for a period of five years from and after the date of completion of the extension and will

continue thereafter from month to month until terminated by 30 days' written notice by either party. The contract contains a provision that it shall, at all times, be subject to such changes or modifications as this Commission may direct in the exercise of its jurisdiction. An order will be entered granting applicant's request.

O R D E R

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

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be and it is authorized to carry out the terms and conditions of the written contract dated November 4, 1950, with Glenco Forest Products and to render the service described therein under the terms, charges, and conditions stated therein.

IT IS HEREBY FURTHER ORDERED that applicant shall file with this Commission, within thirty (30) days after the effective date of this order, two (2) certified copies of the contract as executed, together with a statement of the date on which it is deemed to have become effective; further, applicant shall notify this Commission of the date of completion of installation of applicant's facilities and

the date of termination of said contract within thirty (30) days thereafter.

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

Dated at San Francisco, California, this 3rd day of January, 1951.

R. B. Dunning
Harold A. Kula
Perseus P. Pottel

Commissioners.