

Decision No. 46173

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SAN DIEGO GAS & ELECTRIC COMPANY and)
CALIFORNIA ELECTRIC POWER COMPANY for)
authority to purchase and sell trans-)
mission and interconnection facilities)
and for authority to enter into an)
Interchange Agreement.)

Application No. 32494

OPINION AND ORDER

By this application San Diego Gas & Electric Company and California Electric Power Company join in a request for approval of an agreement dated May 16, 1951, and for authority to carry out the purchase and sale of utility property and the interchange of electrical energy as provided in said agreement. The property which would be sold by California Electric to San Diego consists of approximately 3.2 miles of 69 kv electric transmission line with appurtenances, rights-of-way and easements for the construction and maintenance thereof, except Federal Power License. Said section of transmission line is the remaining portion located in San Diego County and owned by California Electric Power Company of the transmission line used to interconnect the systems of the parties to said agreement. Other portions of the interconnecting transmission line previously have been sold by California Electric to San Diego under authority granted by this Commission in its Decision No. 41621 dated May 25, 1948, in Application No. 29075.

In addition to the transfer of property, the agreement provides for the maintenance of interconnecting transmission facilities and for the interchange of emergency service for the period from May 1, 1951, to April 30, 1956, inclusive, and

thereafter from year to year unless terminated upon notice given at least six months prior to April 30, 1956, or at least six months prior to any succeeding anniversary date. A copy of said agreement is attached to the application as Exhibit A. The agreement provides that it shall be deemed effective as of the effective date of the Commission's approval and that it shall be subject at all times to such changes or modifications as the Commission may direct in the exercise of its jurisdiction.

Upon becoming effective, the agreement of May 16, 1951, would terminate an existing interchange agreement dated November 20, 1947 (as amended April 9, 1948). Article VII of the agreement of May 16, 1951, would establish the rates and charges for emergency service supplied by either party to the other for the period May 1, 1951, to April 30, 1956, at rates per kwhr which shall be the cost, including line losses, to the supplying party of the energy delivered at the San Diego-Riverside county line, including any additional demand charge which the delivering party may be required to pay in connection with power purchased for such delivery, plus 15% of such total cost. The agreement has provision for the future determination of different charges for emergency service during any extension beyond April 30, 1956, and also provides as follows:

"In the event that both parties hereto find it mutually beneficial to sell non-emergency energy, either one to the other, such energy may be sold at a price, or prices mutually agreed upon."

Although arrangements for such interchange appear desirable, it is our opinion that the parties to said agreement should obtain further authority from this Commission for the application of different charges to the delivery of emergency service after April 30, 1956, or specific rates to the delivery of non-emergency energy, and the authorization granted herein will be on that condition.

Under the agreement, San Diego is to pay California Electric one-half of a 10% annual carrying charge on the capital cost of California's electric metering equipment at Valley Substation used in metering the interchanged energy. If said metering point is changed, the above carrying charge is to be discontinued and the party owning and installing the metering equipment at the new metering point shall then be paid by the other party an annual amount equal to one-half of 10% of the capital cost of the new metering equipment installation. The price to be paid by San Diego for the property which would be transferred is \$320 plus sales tax, if any. It is expected that each of the parties will supply the Commission with a statement of its proposed journal entries regarding the transactions involved in this sale of properties, as required under Account 391, Electric Plant Purchased, and Account 392, Electric Plant Sold, of the Uniform System of Accounts for Electrical Corporations adopted by this Commission. The action taken herein shall not be construed to be a finding of the value of the property herein authorized to be transferred.

The Commission having considered the request of applicants and being of the opinion that the application should be granted subject to the conditions afore-mentioned and that a public hearing is not necessary, and it appearing to the Commission that the proposed transfer of public utility property will not be adverse to the public interest; therefore,

IT IS HEREBY ORDERED that San Diego Gas & Electric Company and California Electric Power Company be, and they are, authorized to carry out the terms and conditions of the written agreement dated May 16, 1951, to purchase, sell, and transfer the public utility property described therein, and to deliver emergency energy,

each to the other, under the terms, charges, and conditions stated therein, subject to the condition that neither party shall supply to the other, without first having received further authorization from this Commission, emergency energy at charges which differ from those fixed by Article VII of said agreement, or non-emergency energy.

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

Dated at San Francisco, California, this 4th day of September, 1951.

R. T. [Signature]
President.
James P. [Signature]
Harold [Signature]
[Signature]
[Signature]
Commissioners.