

ORIGINAL

Decision No. 46924

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SAN DIEGO GAS & ELECTRIC COMPANY,)
a corporation, for a certificate of)
public convenience and necessity to)
construct a steam electric generating)
plant.)

Application No. 32937

Sherman Chickering, of Chickering & Gregory,
for applicant; Clarence A. Winder, for City
of San Diego, interested party; H. L. Minister,
Eleventh Naval District, interested party.

O P I N I O N

San Diego Gas and Electric Company by the above-entitled application filed November 28, 1951, requests a certificate that present and future public convenience and necessity require or will require the building and operation of a new steam-electric generating station with auxiliaries, transmission lines, and appurtenant facilities upon land owned by applicant and located approximately 1 mile south of the unincorporated town of Carlsbad.

A public hearing in this proceeding was held in Los Angeles on February 5, 1952, before Examiner Crenshaw, at which no objection to the granting of the certificate was manifested.

The proposed electric generating station is to be known as the Encina Generating Plant.

Applicant plans the installation of an initial unit with a rated capacity of 80,000 kw, and thereafter will install additional units as and when the demand requires and materials become available. Both oil and natural gas will be used for fuel.

The plant will be connected to applicant's 115 kv transmission system through a new substation to be built adjacent to the generating plant.

According to the application and testimony presented at the hearing the addition of the proposed generating station to applicant's production facilities is or will be required by public convenience and necessity because of the actual and anticipated load growth in applicant's territory.

Attached to the application as Exhibit "B", applicant has submitted a chart showing the past and estimated future peak loads during the winter season covering the period from 1940 to 1955.

At the present time applicant has under construction Silver Gate Unit No. 4, which is estimated to be 75% complete, and it is scheduled to be in operation by approximately October, 1952.

The chart submitted in Exhibit "B" shows that the addition of Silver Gate No. 4 Unit will provide a maximum generating capacity of approximately 332,500 kw, which would be supplemented by interchange and purchase power supplied by the Southern California Edison Company, California Electric Power Company, Imperial Irrigation District, and Escondido Mutual Water Company. According to the record the peak demand for December, 1951, was approximately 303,500 kw.

Applicant anticipates that the initial Unit No. 1 of the Encina plant will be in service in sufficient time to meet the estimated peak loads of 1954-1955.

The estimated cost of Encina Unit No. 1 is \$17,500,000, which excludes the cost of land now owned by the company. The cost of land, as testified to by applicant, was \$100,000. The total estimated cost of \$17,500,000 includes \$1,000,000 for the Encina substation.

The operating and maintenance cost is estimated at \$0.0035 to \$0.0050 per kilowatt hour generated, depending upon the availability of natural gas as plant fuel and the price of natural gas and fuel oil, as both types of fuel will be used. Provision has also been made for the addition of other units as required in the future. The ultimate number of units will be four, of which two units will be slightly larger than the one contemplated in this application.

The financing of Encina Unit No. 1, according to applicant, is to be handled temporarily through borrowings under its credit agreement approved by this Commission in Decision No. 43520, dated November 15, 1949, in Application No. 30757, and through the issuance of other securities when and as required.

According to the evidence, application has been made to the Office of Defense of the Federal Government and approval has been authorized for the materials to be used in the construction of this project.

The record is clear that due to the growth of load on applicant's system an increase in its generating facilities is required in order to maintain adequate service. Applicant states that the proposed construction will not compete with other public utilities. A certificate of public convenience and necessity will be granted.

The certificate of public convenience and necessity hereinafter granted is subject to the following provisions of law:

That the Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate, or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

O R D E R

The above application having been considered, a public hearing having been held, the matter having been submitted and now being ready for decision,

IT IS HEREBY FOUND AS A FACT that public convenience and necessity require and will require the construction, operation, and maintenance by San Diego Gas and Electric Company of a steam-electric generating station, as described in the opinion, with auxiliaries, substation, transmission lines, and appurtenant facilities, and the acquisition by San Diego Gas and Electric Company of all necessary or convenient lands, rights of way, easements, and permits and other rights required for said purpose; therefore,

IT IS HEREBY ORDERED that a certificate of public convenience and necessity be and it is granted to the San Diego Gas and Electric Company to construct, operate, and maintain said steam-electric generating plant, substation, transmission lines, and appurtenant facilities, and to acquire such lands, permits and rights as are necessary or convenient for said purpose.

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

Dated at San Francisco, California, this 1st day of April, 1952.

A. E. Zimmerman
President.
James F. Carlson
Harold A. Auld
John E. Mitchell

Commissioners.