

ORIGINALDecision No. 47983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of)
 PACIFIC GAS AND ELECTRIC COMPANY and)
 THE CALIFORNIA OREGON POWER COMPANY)
 for an order of the Public Utilities)
 Commission of the State of California)
 granting and conferring upon appli-)
 cants all necessary permission and)
 authority to carry out in accordance)
 with its terms and conditions an)
 electric service and interchange)
 agreement between said applicants)
 dated July 14, 1952, a copy whereof)
 is annexed hereto as Exhibit "A".)
 (Electric))

Application No. 33759

OPINION AND ORDER

Pacific Gas and Electric Company and The California Oregon Power Company, corporations, by the above-entitled application filed September 26, 1952, request an order of the Commission authorizing each to carry out the terms and conditions of an electric service and interchange agreement between said applicants, dated July 14, 1952. A copy of said agreement is attached to the application, marked Exhibit A and by reference made a part hereof for all purposes.

The agreement provides for supply of such electricity by Pacific to Copco during the period July 3, 1952 to July 31, 1954, as Pacific may have available and Copco may require up to a maximum of 50,000 kw over the Shasta transmission line and 10,000 kw over the Stillwater transmission line, an aggregate maximum of 60,000 kw. From August 1, 1954 to July 31, 1964, termination date of the agreement, Pacific is to supply Copco with firm electric power and energy up to a total of 60,000 kw at Shasta and Stillwater substations.

The agreement also provides, among other things, for the installation by Pacific, as soon as practicable and in a temporary manner at its Shasta substation, of 220/110 kv transformers and associated facilities.

adequate to enable Pacific to make delivery of 50,000 kw. to the Shasta line. The cost of delivering and installing said transformers and associated facilities in a temporary manner and later removing them together with incidental expenses related thereto (tentatively estimated by Pacific to be between \$40,000 and \$58,000) shall be at the sole expense of Copco. Pacific is to notify Copco on the date when said transformers and associated facilities are ready to make delivery of the 50,000 kw. This date is established in the contract as the notification date and is stated in the application to be July 3, 1952. On or before August 1, 1954, the date to be determined by Pacific, Pacific is to remove the transformers and associated equipment from their temporary location and reinstall said transformers and associated equipment at its expense in a permanent manner at Shasta substation.

As of the notification date, the agreement cancels and supercedes the tri-party agreement between Northern California Power Company, Consolidated, The California Oregon Power Company and Pacific Gas and Electric Company, dated June 11, 1918 and all subsequent amendments thereof, together with the letter-agreement between Pacific and Copco, dated October 4, 1950. Copies of the said agreement of June 11, 1918, the amendments thereof, and said letter-agreement of October 4, 1950 are of record before the Commission in Case No. 1176, decided May 2, 1918 (15 CRC 652) and Application No. 13805, decided June 30, 1927 (30 CRC 111).

During the period from the notification date to July 31, 1954, sale of power by Pacific to Copco will be at a price per kilowatt-hour equal to 115% of the average price paid by Pacific during the calendar year for Central Valley Project power, subject to a maximum rate computed from Pacific's Schedule P-31-B without power factor adjustment by using the maximum demand and either (a) the energy delivered or (b) 55% of the product of Copco's maximum demand and the number of hours in the month, whichever is the smaller, and subject to a minimum rate of 6 mills per kilowatt-hour. The rates thus quoted are those stated in the letter-

agreement of October 4, 1950. However, monthly charges will include an additional fixed monthly charge at the rate of 16% per annum of the installed cost of the 220/110 kv transformer bank and associated facilities required for furnishing the power, and initially estimated by Pacific at \$1,000,000.

The rates and charges stated in the contract for power and energy furnished by Pacific to Copco during the period August 1, 1954 to July 1, 1964 are equivalent to those of Pacific's Schedule P-31 which was in effect on the date of execution of the contract subject, however, to minimum charges based on a demand of 60,000 kw and energy corresponding with 45% monthly load factor for 60,000 kw. The agreement further provides that in the event an increase or decrease in Pacific's resale Schedule P-31 becomes effective or said Schedule P-31 is superseded by some other schedule of rates for resale service, then Pacific shall be entitled to increase or decrease the schedule of rates commensurately therewith upon authorization of such increase or decrease. Pacific's Schedule P-31 was superseded by Schedule R at somewhat higher charges for service rendered on and after November 10, 1952 under authority granted by Decision No. 47832, dated October 15, 1952, in Application No. 32589.

Charges to Pacific for power and energy furnished by Copco to Pacific on an available and acceptance basis are based on 4 mills and 2 mills per kwhr for on-peak and off-peak energy respectively. These charges are the same as those in effect under the agreement of October 4, 1950.

The agreement of July 14, 1952, includes the statement that any provision of the agreement which may be subject to the jurisdiction of the Public Utilities Commission of the State of California, at all times, shall be subject to such changes or modifications by said Commission as said Commission from time to time may direct in the exercise of its jurisdiction.

The Commission having considered the request of applicants 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 and The California Oregon Power Company be and they are authorized to carry out the terms and conditions of the electric service and interchange agreement, dated July 14, 1952, and to render the service described therein under the terms, charges and conditions stated therein.

IT IS HEREBY FURTHER ORDERED that either or both applicants shall:

1. File with the Commission copies of any such modifications of this agreement as provide for different rates, charges, or conditions from the effective rate schedule at the time of modification.
2. Notify the Commission as to the date, referred to as the notification date in the agreement, on which the required transformers and associated facilities were or are ready to make delivery of 50,000 kw to the Shasta transmission line.
3. Notify the Commission, within thirty (30) days after figures are available, as to the cost to Copco for delivering and installing, in the temporary manner referred to in the agreement, the required transformers and associated equipment together with removal and incidental expenses, tentatively estimated by Pacific to be between \$40,000 and \$58,000.

L. Notify the Commission, within thirty (30) days after figures are available, as to the amount of Pacific's investment cost for the transformer installation and associated facilities on which Copco's fixed monthly charges of 16% of Pacific's tentative estimate of \$1,000,000 are based.

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

Dated at San Francisco California, this 2nd day of December, 1952.

R. T. [Signature]
President

Justice F. [Signature]

Harold [Signature]

[Signature]

[Signature]
Commissioners.