

ORIGINAL

Decision No. 48178

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 appli- ) Application No. 32798  
cant all necessary permission and ) (First Supplemental)  
authority to carry out the terms and )  
conditions of an agreement with the )  
UNITED STATES OF AMERICA, dated )  
October 3, 1951, copy whereof is )  
attached hereto, marked Exhibit "A". )

OPINION ON FIRST SUPPLEMENTAL APPLICATION-  
RE CONTRACT AMENDMENT NO. 1

The above-entitled first supplemental application <sup>dated</sup> filed November 10, 1952 by Pacific Gas and Electric Company, requests a supplemental order of the Commission granting authority to carry out the terms of an agreement with the United States of America, dated October 15, 1952, amending and modifying the sale and interchange service contract dated October 3, 1951. A copy of the agreement dated October 15, 1952, numbered Amendment No. 1 to I75r-3428, is attached to the first supplemental application as Exhibit No. 1 and by reference made a part hereof.

Existing Contract

The existing contract, No. I75r-3428, relates to the sale and interchange of electric power and energy between applicant's system and that of the Central Valley Project of the United States of America. The contracting agency is the Department of the Interior, Bureau of Reclamation. The existing contract is commonly known as the "Sales Contract." Under its terms the United States sells to applicant dependable and nondependable capacity and energy. In turn the applicant will

sell to the United States capacity and energy to supply, under certain conditions, deficiency of the Central Valley Project for the support of firm loads. Amendment No. 1 to I75r-3428 provides for an additional interconnection point in order to secure parallel operation of the applicant's and the United States' transmission systems. The existing sales contract was authorized by Decision No. 46474 in Application No. 32798 (51 Cal. P.U.C. 271). A companion contract covering transmission and exchange, Contract No. I75r-2650, between the parties is being amended to provide for parallel operation of the transmission lines. The existing transmission and exchange contract was authorized by Decision No. 46058 of this Commission in Application No. 32333 (51 Cal. P.U.C. 36).

Amendment No. 1 to Contract I75r-3428

Amendment No. 1 provides for the amendment of Article 13(f) by adding thereto subparagraph (5) which defines the conditions under which and the extent to which an outage of transmission facilities of the United States connecting Shasta and Keswick power plants to Tracy Switchyard will be deemed to have caused interruption or curtailment of delivery and provides that Articles 16, 17 and 18 be deleted from the existing contract and replaced by articles as follows:

Article 16(a) providing for adjustment for losses to or from Tracy Switchyard.

Article 16(b) providing for such loss adjustment of  $4\frac{1}{2}\%$  for energy delivered at Shasta Substation and  $9\%$  with respect to capacity at generator terminals of the Shasta and Keswick power plants.

Article 17 adding Shasta Substation as an interconnection point in addition to Tracy Switchyard.

Article 18 providing for operation, in accordance with requests of applicant, of all of United States' devices that are sources of reactive megavolt - amperes, including

the Tracy pumping plant motors, up to the maximum safe capability thereof, as determined by the United States contracting officer, and fixes certain conditions under which the obligations of the United States in this respect will be deemed satisfied.

Amendment No. 1 also provides that Section 20(a) of the sales contract is amended by striking from the third line thereof the words "and reactive kilovolt amperes" and by inserting after the words "Article 17" the words "except as otherwise agreed upon by the parties."

#### Applicant's Position

In support of the authorization sought, applicant states that it has given careful consideration to all of the facts and circumstances bearing upon the matters involved. It alleges that said Amendment No. 1 to Contract No. I75r-3428, dated October 15, 1952, and its terms and conditions are fair, just and reasonable and that the parties thereto are desirous of consummating the same in accordance with the provisions thereof. Exhibit No. 1 provides that in all other respects the transmission and exchange contract shall remain in full force and effect.

#### Conclusion

After reviewing the statements and allegations contained in the first supplemental application, it is concluded that applicant's request is reasonable and that an order should be issued authorizing applicant to carry out the terms of the modification of the original contract as proposed. While Amendment No. 1 to the original contract does not contain a clause that the contract at all times shall be subject to such change or modification as the Commission may direct in the exercise of its jurisdiction, the fact that such clause is not included does not in any way exempt the company or the contract as supplemented from the Commission's continuing jurisdiction in this matter.

ORDER

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 applicant be and it is authorized to carry out the terms of the agreement dated October 15, 1952 amending and modifying the contract dated October 3, 1951 with the United States of America, Department of Interior, Bureau of Reclamation, Central Vally Project, California.

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

Dated at San Francisco, California, this 19<sup>th</sup> day of January, 1953.

*A. T. [Signature]*  
 President.

*Justin F. [Signature]*

*Harold P. [Signature]*

*[Signature]*

*[Signature]*  
 Commissioners.