

Decision No. 52986

ORIGINAL

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 Cali-)
 fornia granting and conferring upon)
 applicant all necessary permission)
 and authority to carry out the terms)
 and conditions of an agreement with)
 the UNITED STATES OF AMERICA, dated)
 April 2, 1951, copy whereof is)
 attached hereto, marked Exhibit A.)

Application No. 32333
 Third Supplemental

OPINION ON THIRD SUPPLEMENTAL APPLICATION
RE CONTRACT SUPPLEMENT NO. 4

By the above-entitled third supplemental application, filed January 12, 1956, Pacific Gas and Electric Company requests a supplemental order of the Commission granting authority to carry out the terms of a contract supplement with the United States of America dated December 9, 1955 amending and modifying the transmission and exchange service contract dated April 2, 1951, as amended.^{1/} A copy of the agreement dated December 9, 1955, numbered Supplement No. 4 to Contract No. 175r-2650 is attached to the third supplemental application as Exhibit No. 7 and by reference made a part hereof.

Sales Contract

In addition to this exchange contract there is a sales contract between the applicant and the United States which provides for

^{1/} The original agreement was authorized by Decision No. 46058 dated August 7, 1951. Supplement No. 1 was filed with the Commission on May 9, 1952. Supplement No. 2 was authorized by Decision No. 48176 dated January 19, 1953. Supplement No. 3 was authorized by Decision No. 51021 dated January 25, 1955. This contract as amended is commonly known as the exchange contract. Under its terms the applicant accepts delivery of power and energy from the United States into its electric transmission system at certain points of interconnection and, in return, delivers power and energy to and for the account of the United States.

the sale of electric power and energy by the United States to applicant and for the interchange of power and energy under certain circumstances. Such contract is designated as No. 175r-3428 and was authorized by this Commission on November 27, 1951 by Decision No. 46474.

Applicant's Position

Applicant states that electric power and energy generated by the United States at the Shasta and Keswick power plants has been and now is being delivered to it. The United States has constructed and now has ready for operation its Folsom and Nimbus power plants located on the American River, such plants being originally contemplated under Article 3 of the sales contract. This amendment is necessary to redetermine the project's dependable capacity on the basis of Folsom and Nimbus plants being ready for operation and to effect necessary changes in certain provisions required by the addition of these two power plants.

Applicant states that in Supplement No. 1 it agreed to temporarily furnish and maintain certain metering equipment. To eliminate the temporary nature of the metering agreement it entered into an agreement on January 1, 1954 designated Amendment of Supplement No. 1, a copy of which is attached to the third supplemental application as Exhibit No. 5 and made a part hereof.

Supplement No. 4

Supplement No. 4 to Contract No. 175r-2650 amends the exchange contract of April 2, 1951 to provide that so long as Amendment No. 3 to the sales contract is in effect: (a) the points of interconnection (now primarily Cottonwood Substation and Tracy Switchyard) and voltages contemplated by Article 9(a) of the exchange contract shall be those points of interconnection and voltages

provided for in said Amendment No. 3, (b) the provisions of Articles 12(b) and 13(a) of the exchange contract shall be suspended.^{2/}

Effective Date and other Provisions

The contract supplement provides that it shall be effective on and after January 1, 1956. It cancels Supplement No. 2 to the exchange contract. It also provides that in all other respects the exchange contract shall remain in full force and effect. In this connection it is of interest to note that the basic rates for use of applicant's facilities remain unchanged at the rate of 1 mill per kwhr for delivery at 44 kv or higher, subject to a monthly minimum charge of 25 cents per kw of demand where load exceeds 25,000 kw; and 1 mill per kwhr plus a monthly charge of 10 cents per kw of demand for delivery at less than 44 kv, but not less than 22 kv, where demand is not less than 20,000 kw; and 1 mill per kwhr plus a monthly charge of 22 cents per kw of demand for all other delivery.

Applicant's Request

Applicant states that it has given careful consideration to all the facts and circumstances bearing upon the matters involved and therefore alleges that said Supplement No. 4 to Contract No. 175r-2650, dated December 9, 1955 and its terms and provisions are fair, just and reasonable. It requests a supplemental order of the Commission granting and conferring all necessary authority to carry out the terms of the agreement amending and modifying the original contract.

^{2/} Article 12(b) provides for power deliveries to applicant by the United States at voltages ranging from 209 to 231 kv together with reactive kilovolt amperes equivalent in amount to that delivered by applicant to and for the account of the United States. Article 13(a) provides that the United States will provide and maintain recording metering equipment to measure the energy furnished to applicant at points of interconnection.

Findings and Conclusions

After considering the statements and allegations contained in the third supplemental application, it is concluded and found that applicant's request is reasonable and that an order should be issued authorizing applicant to carry out the terms of the agreement as proposed. While Supplement No. 4 does not contain a clause as required by Section X of General Order No. 96 that this contract shall, at all times, be subject to such changes or modifications as the Commission may, from time to time, direct in the exercise of its jurisdiction, the fact that such clause is not included does not in any way exempt the applicant or the contract as supplemented from the Commission's continuing jurisdiction in the matter.

O R D E R

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 contract Supplement No. 4, dated December 9, 1955, amending and modifying the contract dated April 2, 1951, as amended, with the United States of America, Department of the Interior, Bureau of Reclamation, Central Valley Project, California.

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

Dated at San Francisco, California, this 1st day of May, 1956.

John E. [Signature]
President
Justus J. [Signature]
Roger [Signature]
Maxwell [Signature]

Commissioners