

Decision No. 53161**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 granting and conferring
 upon applicant all necessary permis-
 sion and authority to carry out the
 terms and conditions of a written
 contract with the UNITED STATES OF
 AMERICA, dated September 26, 1955,
 as amended.

(Electric)

Application No. 37850

OPINION AND ORDER

By the above-entitled application, filed March 21, 1956, Pacific Gas and Electric Company seeks an order of this Commission authorizing it to carry out the terms and conditions of an agreement with United States of America, National Park Service, dated September 26, 1955, as amended, for the interchange of electric energy at Yosemite National Park. A copy of the agreement is attached to the application and marked Exhibit A.

Pacific and the Park Service are and for some time past have been interchanging electric energy under a prior Contract No. I-lp-18766, dated September 11, 1944, as amended by letter agreement dated August 15, 1950, which contract expired September 11, 1954. This prior contract and its amendment were filed with this Commission by letters dated January 29, 1945, and November 27, 1950, respectively.

The new agreement, referred to as Renewal Contract No. 14-10-0100-599 dated September 26, 1955, and an addendum thereto

dated January 23, 1956, make provision, among other things, for:

- (a) The sale by Park Service to Pacific of all surplus energy generated at the Park Service hydro-electric plant located in Yosemite National Park, California, from and after September 11, 1954, until July 1, 1955, and thereafter until said contract is cancelled by a one year's written notice, given by either party to the other, of a desire for termination, provided, however, it shall not extend beyond September 11, 1965, and
- (b) The sale by Pacific to Park Service of whatever additional electric energy may be required for use in Yosemite National Park, including the Arch Rock ranger station.

Purchase of Surplus Energy

The rate to be paid by Pacific to Park Service for all surplus energy is \$0.00175 per kilowatt-hour.

During the year 1955 Pacific purchased from Park Service 3,438,732 kilowatt-hours of surplus energy, which at the rates in the prior contract amounted to \$5,158.11, and if computed at rates contained in the renewal contract would amount to \$6,017.78, or an increase of 16.7%.

Sale of Additional Energy

The rates and charges to be paid by Park Service to Pacific for electric power and energy are as follows:

Demand Charge:

Per kilowatt of maximum demand per month \$1.68

Energy Charge:

To be added to demand charge Per KWH \$0.0034

Definitions and Conditions:

- (a) Maximum Demand: The maximum demand in any month will be the average KW delivery of the 30-minute interval in which such delivery is greater than in any other 30-minute interval

in the month, provided, however, that if the load is intermittent or subject to violent fluctuations a 5-minute interval may be used. The maximum demand to be used in computing charges under the above rates will be the mean of the actual maximum determined for the current month and the highest such demand occurring in the year ending with the current month, subject, however, to the provisions of Section III hereof.

- (b) Off Peak Demand: Demands created between the hours of 10:30 p.m. and 6:30 a.m. of the following day and on Sundays and legal holidays will be ignored in determining the demand used for computing charges. The following shall be deemed the holidays herein referred to: New Year, Washington's Birthday, Decoration Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day and Christmas.
- (c) Power Factor: The total charge for any month as computed on the above rates will be decreased or increased, respectively, by 0.1% for each 1% that the average power factor in that month was greater or less than 85%, such average power factor to be computed (to the nearest whole per cent) from the ratio of lagging kilovolt-ampere-hours to kilowatt-hours consumed in the month, provided, however, that no power factor correction will be made for any month when the maximum demand was less than 10% of the highest in the preceding eleven months.

Pacific avers that the rates to be paid by Park Service are Pacific's resale service rates for customers having their own generation increased by a factor of 0.98 to allow for step-down losses of two per cent in the supply of electric power and energy to Park Service.

For the year 1955 applicant shows a comparison of revenues and average rates under prior and renewal contracts, based on sales to Park Service, to be as follows:

<u>Sales</u>	
KWH	3,392,437
Maximum Kw	2,952

<u>Revenues</u>	
Prior Contract	\$40,409.50
Renewal Contract	\$54,233.16
% Increase	34.2
<u>Average Rate per KWH</u>	
Prior Contract	\$0.01191
Renewal Contract	\$0.01599

Conclusion

The Commission in Decision No. 47832, dated October 15, 1952, stated as follows regarding the prior contract dated September 11, 1944, and herein referred to, "Applicant is not authorized to increase the rates prescribed by the following contracts, but may effect increases through renegotiation of the contracts, either by placing the business on applicable filed tariff rates, wherever possible, or by submitting the renegotiated contracts for approval by this Commission in the manner specified by General Order No. 96."

(52 CPUC 111,157)

Applicant has renegotiated said contract and alleges that the terms and conditions of the renewal contract are fair, just and reasonable to the parties thereto.

The contract does not contain a jurisdictional clause as required by General Order No. 96. However, applicant is hereby put on notice that this agreement is at all times subject to such changes or modifications by this Commission as it may from time to time direct in the exercise of its jurisdiction.

The Commission having considered the request of applicant and being of the opinion that the application should be granted, and that a public hearing in this matter is not necessary, therefore,

IT IS HEREBY ORDERED that Pacific Gas and Electric Company be and it is authorized to carry out the terms and conditions of the

written contract with the United States of America, National Park Service, dated September 26, 1955, and the addendum thereto dated January 23, 1956, and to render and receive the service described therein.

IT IS FURTHER ORDERED that Pacific Gas and Electric Company shall file with this Commission a statement promptly after termination showing the date when said contract was terminated.

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

Dated at San Francisco, California, this 23rd day of May, 1956.

 President
Justin S. Caswell
Ray L. Lutz
Mark D. Droe
B. Hardy

 Commissioners