

Decision No. 54705**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of)
 SAN DIEGO GAS & ELECTRIC COMPANY)
 a corporation, for an order of the)
 Public Utilities Commission of the)
 State of California approving a)
 contract with CIA. ELECTRICA)
 FRONTERIZA, S.A., a Mexican corpo-)
 ration, covering the sale of elec-)
 tric energy for use in Tecate, and)
 adjacent territory, located in)
 Baja California, Mexico.)

Application No. 38751

OPINION AND ORDER

By the above-entitled application filed January 21, 1957, San Diego Gas & Electric Company requests authority to carry out the terms and conditions of a contract dated April 23, 1956, with Cia. Electrica Fronteriza, S.A., a Mexican corporation, covering the sale of electric energy to the customer for use in Tecate and adjacent territory in Baja California, Mexico. A copy of the new contract marked Special Contract No. 41 is attached to the application as Exhibit A.

Applicant presently is rendering service to the customer in accordance with the provisions of an agreement dated July 12, 1948, and a supplemental agreement dated August 4, 1955. Applicant states that the new contract will supersede the existing contract and the supplemental agreement dated August 4, 1955.

Said new contract provides for service metered and delivered on the United States side of the border at a delivery voltage of 12,000 volts and not to exceed a maximum demand of 2,500 kilovolt-amperes nor a total amount of energy in excess of 12,000,000 kilowatt-hours per year. Charges for electric energy will be made in accordance with applicant's filed Schedule R, Resale,

except that provision is made for an annual minimum guarantee of revenue of not less than \$70,000 for the first contract year, \$72,500 for the second contract year and \$75,000 per year for each succeeding year. Applicant states that the contract provision for an annual minimum guarantee of revenue is to protect the company's investment in case an unforeseen change in the customer's operating conditions should occur.

The new contract provides for higher rates of delivery in order to serve customer's increasing requirements. Under the present contract, provision is made for deliveries up to a maximum demand of 1,000 kilowatts and energy delivery not exceeding 5,000,000 kilowatt-hours per year. However, applicant states that deliveries to customer reached a maximum demand of 1,070 kilowatts in 1955 and that in 1956 the maximum demand up to and including November was 1,170 kilowatts. Applicant shows the following demands and energy requirements recorded for the years 1951 to 1955 and estimated for the 1956 to 1960 period.

ANNUAL PEAK DEMAND AND ENERGY REQUIREMENTS
1951 to 1960

Tecate		
Year	Demand (Kw)	Sales (Kwhr)
<u>Recorded</u>		
1951	246	820,400
1952	287	917,400
1953	860	2,122,800
1954	945	5,132,000
1955	1,070	5,824,000
<u>Estimated</u>		
1956	1,200	5,966,600
1957	1,250	7,400,000
1958	1,300	8,500,000
1959	1,400	9,400,000
1960	1,550	10,500,000

As in the present contract, the new contract provides that interconnection shall not be made between the customer's distribution

system served at Tecate and the distribution system separately served at Tijuana, unless and until prior arrangements have been made and approved for discontinuance of service hereunder in accordance with Sections III or VI of said contract, dated April 23, 1956.

Attached to the application and marked Exhibit B is a copy of the Federal Power Commission's decision pursuant to provisions of the Federal Power Act, in Docket No. IT-5550 authorizing the transmission of electric energy to Mexico over the 12-kv facilities. Said decision limited exportation of electric energy in an amount not to exceed 12,000,000 kilowatt-hours per year at a rate not in excess of 2,500 kilowatts.

The term of the contract is for a period of five years, commencing on the date the customer is notified that the applicant has completed the construction work necessary to serve the increased load, and from year to year thereafter, unless and until terminated by notice given in writing by either party at least six months prior to the expiration of the first five-year term or any subsequent anniversary. Provision is made for the payment of certain net costs of installing and removing transmission and distribution facilities should customer elect to cancel the contract during the initial five-year period.

The contract provides that it shall not become effective unless and until it shall have been authorized by this Commission and also that it shall at all times be subject to such changes or modifications as this Commission may direct from time to time in the exercise of its jurisdiction. It also provides that it shall be subject to applicable rules, regulations, or orders issued by the President of the United States of America or the Federal Power Commission.

The Commission having considered the request of the 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 San Diego Gas & Electric Company be and it is authorized to carry out the terms and conditions of the written contract dated April 23, 1956, with Cia. Electrica Fronteriza, S.A., and to render the service therein contemplated and charge and collect the rates therein stated.

IT IS FURTHER ORDERED that San Diego Gas & Electric Company shall file statements with this Commission (1) promptly after commencement of the term of this contract, showing the date when the term of said contract commenced and (2) promptly after termination of this contract showing the date when said contract was terminated.

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

Dated at Los Angeles, California, this 26th day of March, 1957.

[Signature]
 President

[Signature]

[Signature]

[Signature]
 Commissioners