

ORIGINALDecision No. 57594

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 PACIFIC GAS AND ELECTRIC COMPANY)
 for authorization to carry out an)
 agreement dated August 5, 1958 with)
 THE WESTERN TELEPHONE COMPANY.)
 (Electric))

Application No. 40465

OPINION AND ORDER

By this application Pacific Gas and Electric Company requests authority to enter into and carry out the terms and conditions of an agreement dated August 5, 1958, with The Western Telephone Company.

The agreement states that Western presently takes temporary service at a microwave station located in Section 10, Township 33 North, Range 10 West, M.D.B.&M., County of Trinity, State of California, and that Western proposes to construct an additional microwave station on Oregon Mountain in Section 15 of said township and range and has requested Pacific to furnish permanent electric service to these two microwave stations.

In order to provide the service requested by Western, it will be necessary for Pacific to (a) convert approximately 13,732 feet of existing 480 volt single phase circuit to 12,000 volt single phase circuit, (b) install approximately 4,618 feet of 12,000 volt single phase circuit on Western's pole line connecting the two microwave stations, and (c) install two transformers, service drops, meters and other associated equipment. It is estimated that the cost to Pacific of installing these facilities will be \$5,263.

Pacific states that under the standard provisions of its Extension Rule 15, Western would be required to advance to Pacific \$10,650, and inasmuch as such an advance would be considerably in excess of the investment in facilities required by Pacific to render this service, it would be inequitable to Western to apply the standard provisions of its Rule 15.

The agreement provides that Western shall be billed by Pacific for energy consumed on Pacific's General Service Schedule A-6. Western agrees to advance to Pacific the sum of \$1,818, which is the difference between the estimated net investment of \$5,263 and five times the estimated annual revenue from the installations of \$689. In addition, Western agrees to pay to Pacific an annual cost of ownership charge of \$163.62, payable in equal monthly installments of \$13.64, said ownership cost being 9 percent of \$1,818. Pacific has heretofore stated that this charge represents Pacific's cost of owning and maintaining the portion of the investment in the line advanced by the customer exclusive of income taxes and return. This cost of ownership charge is to apply commencing with the date of completion of the facilities required to serve the microwave stations. The advance of \$1,818, as well as the cost of ownership charge, are subject to adjustment should separately metered new permanent loads be served directly from the facilities required to serve Western, or from an extension thereof. No adjustment will be made after the termination of the agreement, or the expiration of 10 years from the date of completion of the installation of said facilities, whichever first occurs.

The term of the agreement is for five years from and after the date service is first supplied to Western under the terms of this agreement and shall be continued thereafter until terminated by either party on thirty days' prior written notice thereof.

The agreement further provides that upon completion of the installation of the facilities by Pacific, this agreement will supersede and cancel the temporary service agreement of June 19, 1957 between Pacific and Western.

The agreement provides that it shall not become effective until authorized by this Commission and that at all times it shall be subject to such changes or modifications by this Commission as said Commission may from time to time direct in the exercise of its jurisdiction.

The Commission having considered the above entitled application and being of the opinion that the application should be granted and that a public hearing thereon 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 agreement dated August 5, 1958, with The Western Telephone Company and to render the service described therein under the terms, charges and conditions stated therein.

IT IS FURTHER ORDERED that Pacific Gas and Electric Company shall file with this Commission a statement showing the date electric service is first supplied under said agreement and subsequently shall file a statement promptly after termination showing the date when said agreement was terminated.

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

Dated at San Francisco, California, this 10th day of November, 1958.

E. Lynn Fox
President

Robert E. ...

Robert ...

Theodore ...
Commissioners