

Decision No. 59309**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 authorizing it to carry out  
 the terms and conditions of two agree-  
 ments with THE BOARD OF TRUSTEES OF  
 THE LELAND STANFORD JUNIOR UNIVERSITY  
 for electric service.

Application No. 41475

(Electric)

OPINION AND ORDER

By this application, Pacific Gas and Electric Company re-  
 quests authority to enter into and carry out the terms and conditions  
 of two agreements with The Board of Trustees of the Leland Stanford  
 Junior University. A copy of the first agreement dated August 7,  
 1958, marked Exhibit B, and a copy of the second agreement dated  
 June 26, 1959, marked Exhibit C, are attached to the application.  
 The agreements relate to the supply of electric service to Stanford's  
 general campus area and to the additional spectrometer equipment to  
 be installed at Stanford's High Energy Laboratory.

Pacific presently is supplying electric service from its  
 12/4 kv substation located on the Stanford campus to the latter's own  
 electric distribution system for lighting, heating and power purposes  
 in its buildings, including the High Energy Laboratory, for the opera-  
 tion of its electrical machinery and apparatus on the Stanford campus.  
 Service is furnished in accordance with Pacific's presently filed  
 Schedule A-13, General Service - Demand Metered, under existing  
 Service Agreement P-57-1116, effective November 10, 1957, for a  
 period of five years. A copy of this agreement, marked Exhibit A, is  
 attached to the application.

Stanford now intends to increase its demand load at its  
 High Energy Laboratory by approximately 2900 kva for magnetic

spectrometer equipment and has requested Pacific to furnish and install additional permanent facilities to supply such load. It has further requested Pacific to furnish and install separate facilities for the spectrometer equipment in order to eliminate interference to service elsewhere on the campus and to other customers in the area which might result from operating the additional demand load of the laboratory. Such separate facilities will involve, among other things, separate 60/4 kv transformer facilities and required bus structure, at an estimated cost of \$24,710.

Pacific states that because of (a) the replacement of the existing 12/4 kv substation with a 60/4 kv substation at a new location on the Stanford campus, and the installation of 4.5 miles of 60 kv wood pole line and 1,500 feet of 4 kv underground circuit to connect with existing Stanford metering point, at an estimated cost of approximately \$172,680, and (b) the characteristics of certain new and increased load to be added to said High Energy Laboratory requiring special facilities, the two new contracts for electric service were entered into with Stanford.

The first contract of August 7, 1958, No. P-58-1085, referred to as the General Campus Area Service Agreement, supersedes the previously mentioned service agreement of November 10, 1957, and provides for the furnishing of electric service requirements for lighting, heating and power purposes in the buildings of Stanford and for the operation of its electrical machinery and apparatus located on the campus, with the exception of the additional electric energy required for its 72-inch magnetic spectrometer equipment at the High Energy Laboratory. Energy will be furnished in accordance with filed Schedule A-13 and provides that it shall continue in force until the expiration of 10 years from and after August 1, 1958, and thereafter for successive periods of five years each provided, however, that

either party thereto shall have the right to terminate the agreement at the expiration either of the initial term thereof, or any subsequent five-year period by giving the other written notice to that effect of at least 12 months prior to such termination date. Based on the sale of energy to Stanford's general campus area for the 12-month period September, 1958 to August, 1959, Pacific estimates an annual gross revenue of approximately \$191,500 under this agreement.

The second agreement dated June 26, 1959, referred to as the Spectrometer Equipment Service Agreement, provides, among other things, for the sale and delivery to Stanford of all electric energy required for the 72-inch magnetic spectrometer equipment to be located at the High Energy Laboratory. The demand load of this equipment will be approximately 2,900 kva. To supply the required electric energy to the spectrometer equipment, without interference to service elsewhere on the campus and to other customers in the area, Stanford has requested and Pacific has agreed to furnish and install at the aforementioned new 60/4 kv substation, separate 60/4 kv transformer facilities with a capability of 2,900 kv, and other related equipment.

Service will be rendered under Schedule A-13 modified as follows: if for any month the bill for said electric service, computed under the effective schedule, amounts to less than the total of (1) \$308.37, said sum being 1½% of the installation cost and referred to as the monthly cost of ownership charge, plus (2) the kilowatt-hours of electricity delivered during the month, if any, times the terminal energy rate of Pacific's applicable rate schedule to service thereunder, said total called the contract minimum, then Stanford agrees to pay Pacific for any such month the contract minimum instead of the lesser amount. The energy and demand for said 72-inch magnetic spectrometer equipment will be metered and billed separately

from service to Stanford's general distribution system on the applicable rate schedule without primary voltage discount. Pacific stipulates that said contract minimum charge will terminate at the expiration of the initial 10-year term of the agreement provided that for at least three years prior to the expiration of said initial term of 10 years, Stanford's monthly bills for electric energy will have exceeded the contract minimum charge.

This agreement provides that it becomes effective upon authorization of the Commission and the initial term thereof shall be from the date of the agreement to and including 10 years from and after the date electric energy is first supplied to Stanford by means of the facilities to be installed, and shall continue thereafter until terminated, under certain conditions, by either party giving the other 30 days prior written notice. Pacific estimates that the annual gross revenue to be derived from the sale of energy to the spectrometer equipment under this agreement will approximate \$77,400.

Pacific avers that were it not for the installation of the additional 2,900 kva load at the High Energy Laboratory, Pacific's existing facilities would have been adequate for the near future to serve Stanford's normal load. The additional 2,900 kva load is to be added in connection with research work performed by Stanford under contract with the United States Government which is renewed on a year-to-year basis and thus would be classified as a load of questionable permanency. The company further avers that at Stanford's request, and in lieu of requiring Stanford (a) to advance the installation and removal cost of additional facilities necessitated to serve said additional load of questionable permanency, (b) to pay for the transformers and related facilities required to eliminate interference to service elsewhere on the Stanford campus and to Pacific's other customers in the area, and (c) to pay for the excess cost of the 1,500 feet of 4 kv underground from said new substation

to the former point of delivery, Pacific agreed to provide same at its expense, subject to the terms of the two agreements, and to install the new 60/4 kv substation at a new location.

Pacific has requested the two agreements for an initial term of 10 years to protect its substantial immediate capital investment in the new 60/4 kv substation and related facilities to furnish present and future increased electric service to Stanford's general campus area and to protect its capital investment for the transformers and related facilities required to furnish the additional electric demand load of 2,900 kva.

The agreements provide that at all times they shall be subject to such changes and modifications by this Commission as said Commission may, from time to time, direct in the exercise of its jurisdiction.

Pacific avers that the terms of the agreement are fair, just and reasonable to Pacific and Stanford and that they will not constitute a burden upon Pacific's other electric customers and will be in the public interest.

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 two written agreements dated August 7, 1958 and June 26, 1959, with The Board of Trustees of the Leland Stanford Junior University, and to render the service granted 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 of completion of said facilities and the date when service is first

supplied under the June 26, 1959 agreement and subsequently shall file a statement promptly after termination showing the date when either contract was terminated.

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

Dated at San Francisco, California, this 1st day of December, 1959.

*Robert P. [Signature]*  
President

*[Signature]*  
*[Signature]*

*Theodore [Signature]*  
Commissioners