

Decision No. 60470**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 perform and
 carry out the terms and conditions
 of a contract dated April 11, 1960
 with UNITED CENTRIFUGAL PUMPS.

Application No. 42195

(Electric)OPINION AND ORDER

By the above-entitled application, filed April 26, 1960, Pacific Gas and Electric Company seeks an order of this Commission authorizing it to carry out the terms and conditions of a written contract dated April 11, 1960 with United Centrifugal Pumps. The contract relates to the supply of electric service to United's plant located at 1132 North 7th Street, San Jose, Santa Clara County, California. A copy of the contract is attached to the application as Exhibit A.

Present and Proposed Service

Pacific now furnishes electric service to United under its regularly filed Schedule A-13, General Service - Demand Metered, at 480 volts. United has requested Pacific to supply it with additional electric service at 4,160 volts at a second point of delivery within its plant for the operation of pump testing motors up to 3,000 horse-power rating. This will require Pacific to furnish and install the following facilities: (a) approximately 3 miles of 60 kv pole line

extension from Pacific's existing Newark-Kifer 60 kv transmission line to United's plant, (b) a substation on United's premises consisting of 3-1000 kva, 60/4 kv transformers, switches and associated equipment, and (c) the necessary metering facilities. Pacific estimates its cost for such facilities at \$75,579 and the annual revenue to be derived, under its agreement, at \$11,703.

Contract Provisions

The contract provides, among other things, that energy used and demands created on the 4,160-volt service will be metered and billed separately from the existing 480-volt service, under Pacific's presently effective Schedule A-13, Special Condition (C) Off-peak Demand, except that (1) provision is made for an alternate minimum charge, and (2) the term of the contract is for an initial period of ten years.

If for any month the regular bill for service, as computed under the then effective schedule, amounts to less than the sum of (1) \$944.74, said amount being 1½% of Pacific's installation cost, plus (2) the amount computed for energy used at the terminal rate of the then applicable schedule, said sum of (1) plus (2) being the contract minimum, then United will pay Pacific the contract minimum instead of the lesser amount. Pacific states that the contract minimum charge and the ten-year initial term have been agreed to because of the intermittent nature of United's testing operations and to protect Pacific's capital investment.

Provisions have been made regarding the method of operation for United's pump testing motors and the latter's obligation, should the characteristics of its load cause interference with

service to Pacific's other customers, to install, at United's expense, the necessary corrective equipment.

The contract is to become effective when authorized by this Commission and the initial term shall be for a period of ten years from the date service is first furnished and shall continue thereafter until terminated by either party on thirty days' notice.

The contract provides that it shall at all times be subject to such changes or modifications as this Commission may, from time to time, direct in the exercise of its jurisdiction.

Pacific alleges that it has given careful consideration to all of the facts and circumstances bearing upon the matters involved and that the contract of April 11, 1960 and its terms and conditions are fair, just and reasonable, and will not constitute a burden upon Pacific's other customers.

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 contract, dated April 11, 1960, with United Centrifugal Pumps, 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 contract and subsequently shall

file 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 2nd day of August, 1960.

[Signature]
President

[Signature]

[Signature]

[Signature]

Theodore Jensen
Commissioners