

Decision No. 62122**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 of the Public Utilities
 Commission of the State of California
 for authorization to carry out the
 terms and conditions of an agreement
 dated January 20, 1961 with UNION OIL
 COMPANY OF CALIFORNIA.
(Electric)

Application No. 43282

OPINION AND ORDER

Pacific Gas and Electric Company by the above-entitled application, filed April 3, 1961, requests an order of the Commission authorizing it to carry out the terms and conditions of an agreement, dated January 20, 1961, with the Union Oil Company of California. Said agreement relates to (1) the sale and delivery by Pacific to Union of electric power and energy and (2) the use by Union of certain of Pacific's electric facilities for Union's operations within the oil field known as Coalinga Nose, Gatchell Zone Unit, Fresno County, California. A copy of the agreement is attached to application as Exhibit A.

Pacific now is and for some time past has been furnishing electric power for operating Union's Coalinga Nose Oil Field installations at several different locations. Said power is now and has been individually metered and billed at each location in accordance with Pacific's applicable filed rates and rules. Union desires to receive all of its power at a single point of delivery and to use Pacific's existing 12 kv distribution facilities on the Union side of point of delivery to the extent necessary for Union's operations.

Proposed Agreement

The agreement provides, among other things:

1. Pacific agrees to furnish Union all of the electric power and energy which shall be required for use by Union within the Coalinga Nose Oil Field, under Pacific's filed and effective Schedule A-13, General Service-Demand Metered, or at any other duly and regularly established applicable schedule.

2. Pacific agrees to make such rearrangements, replacements and additions to its existing electric facilities on Union's side of the point of delivery as may be necessary to enable Union's electric requirements to be delivered at the point of delivery and, as far as practicable, to provide separate sources of supply for customers, other than Union, now supplied service by Pacific from the existing facilities.

3. From and after the date when all of Union's electric requirements are first delivered to Union at the point of delivery, Union shall pay Pacific \$906 per month for the use of the electric facilities on Union's side of the point of delivery unless and until modified as provided in the agreement. In addition, Union agrees to reimburse Pacific each year for the amount of ad valorem taxes payable by Pacific that is assessed or levied in respect to its ownership of the facilities used by Union.

4. Pacific shall have the right to continue using the electric facilities, beyond the point of delivery to Union, to furnish electric services to existing and future customers, with small electric requirements in the area, for whom separate sources of supply are not provided under the agreement.

5. Union agrees to advance to Pacific \$5,748 for the new facilities which are to be installed to provide separate sources of

supply for customers other than Union. This advance shall be refundable to Union based upon new, separately metered, permanent electric load and/or customers served therefrom in accordance with Section C.2 of Pacific's Rule 15, Line Extensions.

Term of Contract and Jurisdiction

This agreement is to become effective when authorized by this Commission and the initial term thereof shall be for a period of 10 years from the date first delivery of all Union's requirements is made at the delivery point, and shall continue thereafter for subsequent five-year periods unless terminated by either party by 12 months' advance written notice given to the other prior to the initial 10-year term or any subsequent five-year period. The agreement 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.

In support of its application Pacific avers that Union, in order to effect economies in the costs of its operations at this location, desires to receive all of its power requirements at a single point of delivery. Pacific further states that it is common practice of oil field operators to arrange for all electrical requirements at a single point of delivery and to install its own interconnecting circuits and facilities. Were such a plan to be implemented by Union in this case, existing facilities of Pacific would be rendered virtually useless. Pacific alleges that the agreement of January 20, 1961, under the facts and circumstances obtaining, is fair, just and reasonable to the parties thereto.

Supplemental Information

In response to a staff request for additional information, Pacific, by letters dated May 9 and 11, 1961, furnished supporting

data relevant to the various charges and conditions of service. These letters should be part of the record and the order will so provide. However, Pacific should in future applications requesting authorization of special agreements, incorporate in its original application such information as is necessary to support various charges and conditions of any such agreement, eliminating thereby the necessity of requests, as in this application, for supplemental information.

Findings and Conclusions

The Commission has considered the request of applicant and finds and concludes that the application should be granted and that a public hearing is not necessary; therefore,

IT IS HEREBY ORDERED that:

1. Pacific Gas and Electric Company be and it is authorized to carry out the terms and conditions of the agreement, dated January 20, 1961, with Union Oil Company of California, and to render the service described therein under the terms, charges and conditions stated therein.

2. 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.

3. Pacific Gas and Electric Company's letters dated May 9 and May 11, 1961 be made a part of the record in this proceeding.

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

Dated at San Francisco, California, this 13th day of June, 1961.

Charles E. Page
President
John E. Mitchell
S. Lynn Fox
George L. Hoover
Frederick B. Holshoff
Commissioners