

ORIGINAL

Decision No. 62995

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
 PACIFIC GAS AND ELECTRIC COMPANY and
 SOUTHERN CALIFORNIA EDISON COMPANY
 for authorization to carry out an
 agreement dated December 18, 1961
 amending an existing power interchange
 agreement dated December 31, 1947.
 (Electric)

Application No. 44032
 (Filed December 20, 1961)

OPINION AND ORDER

The application as above entitled seeks authority for Pacific Gas and Electric Company and Southern California Edison Company to carry out the terms of a letter agreement between them, dated December 18, 1961, relating to power interchange. The present agreement is an outgrowth and modification of a December 31, 1947, power interchange agreement between these applicants which was authorized by Decision No. 41276, in Application No. 29071 on March 2, 1948. Authority to amend such agreement was subsequently granted on August 14, 1951, by Decision No. 46073 in First Supplemental Application No. 29071 and again on December 8, 1953, by Decision No. 49397 in Second Supplemental Application No. 29071. The various letter agreements leading to the above decisions, the applications for relief and the decisions themselves are specifically referred to in this application and are made a part thereof by reference.

The change sought by the filing of this application is the substitution of "\$2.00 per kilowatt" for "\$1.50 per kilowatt" in section (i) of subparagraph (b) of paragraph 3, as amended by letter agreement dated June 8, 1953. To substantiate the propriety and

reasonableness of the revised charges applicants allege that the capacity charge agreed upon reasonably represents the cost of capacity to Pacific and Edison. Pacific calculated that the cost of its steam electric capacity for the year 1960, excluding transmission costs and load fuel, but adjusted to a 6½ per cent rate of return, was \$1.95 per kw per month on an average. The amended capacity charge as well as the energy charge are reciprocal or at the same rate for the service provided by Pacific to Edison as that furnished by Edison to Pacific. It appears that the applicants have given careful consideration to the matters involved and believe them to be fair and reasonable.

The Commission having reviewed the letter agreement of December 18, 1961, finds and concludes that said agreement places no undue burden upon either of the applicants or upon their respective customers and makes available potential power to assist both Pacific and Edison in the performance of their public utility obligations. It is concluded therefore that applicants should be authorized to carry out the terms of said agreement. A public hearing is not necessary, and good cause appearing,

IT IS ORDERED that:

1. Pacific Gas and Electric Company and Southern California Edison Company are authorized to carry out the terms of the letter agreement between them, dated December 18, 1961, attached to the application as Exhibit F.
2. Applicants shall file three copies of said letter agreement of December 18, 1961, as executed by them, within thirty days after the effective date of this order.

3. Applicants shall file with this Commission a statement, promptly after termination of said letter agreement, showing the date when it was terminated.

The effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 2nd
day of January, 1961. ^{U.S.}

Geoffrey B. Borge
President
John E. D. Borge
E. J. Fox
George H. Grover
Frederick B. Holcomb
Commissioners