

ORIGINALDecision No. 63391

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application for Approval of Utility)
 Service Contract dated October 20,)
 1961, Between California Electric)
 Power Company and California Insti-)
 tute of Technology.)

Application No. 43954

O P I N I O N

California Electric Power Company, by this application, filed November 22, 1961, pursuant to Section E. 7., Exceptional Cases, of its Rule No. 15, Line Extensions, seeks authority to carry out the terms and conditions of a utility service contract with California Institute of Technology (Jet Propulsion Laboratory), dated October 20, 1961 (Application, Exhibit A), providing for construction of an electric line extension and related facilities to serve the government-owned Goldstone Test Station east of Barstow, as well as increasing requirements of the nearby Fort Irwin installation of the U. S. Army. The utility has also submitted for filing, pursuant to Section X.B. of General Order No. 96, a contract with the Army jointly negotiated with the Jet Propulsion Laboratory agreement (Application, Exhibit B).

Certain minor deviations from applicant's extension rule will result from inclusion in the Jet Propulsion Laboratory contract of standard government form provisions for utility service contracts. Applicant alleges that it has accepted such provisions in its direct contracts with the government for many years and that it believes

that such minor deviations will not be detrimental to it or its other ratepayers.

The principal deviation from the extension rule concerns the advance payment for the installations and the manner in which refund provisions are applied. The agreements indicate that the total cost of facilities will amount to about \$547,700, of which sum the utility proposes to assume the estimated \$75,100 cost of constructing its new substations and metering facilities. The utility estimates that service requirements indicate a combined initial annual revenue of \$120,000, which results in a cost to revenue ratio of about 4.6 to 1.

We find that the utility service contract between applicant and Jet Propulsion Laboratory, dated October 20, 1961, is not adverse to the public interest and that, accordingly, applicant should be authorized to carry out the terms and conditions of said contract.

In granting the authorization here requested, the Commission directs attention to its position, stated in recent decisions, that if it should appear, in a rate proceeding, that any losses are being incurred because of deliveries under the contract herein authorized, such losses are not to be imposed on this utility's other customers.

Furthermore, applicant and Jet Propulsion Laboratory are hereby placed on notice that in any future rate proceeding this Commission will not be obligated to consider the opposition of either party to any proposed changes in the contract herein authorized predicated on the basis that a contract already exists as authorized by the Commission.

A public hearing is not necessary.

O R D E R

The Commission having considered the application herein and basing its order on the finding and conclusion contained in the foregoing opinion,

IT IS HEREBY ORDERED that:

1. California Electric Power Company be and it is authorized to carry out the terms and conditions of a contract with California Institute of Technology (Jet Propulsion Laboratory), dated October 20, 1961, and to render the service provided for by said contract in accordance with applicant's Schedule A-7, General Service.

2. California Electric Power Company is directed to file, within 10 days after termination of either the contract herein authorized or the contract jointly negotiated therewith with the U. S. Army (Contract No. DA 04-013 AVI-278, dated August 25, 1961, a copy of which is attached to the application herein as Exhibit B thereof), a statement showing the date of such termination.

Good cause appearing, it is hereby further ordered that the effective date of this order shall be the date hereof.

Dated at San Francisco, California, this 13th day of MARCH, 1962.

Charles W. Boye
 President

John L. Mitchell

E. J. Fox

George E. Hoover

Frederick B. Hallock
 Commissioners