

ORIGINALDecision No. 63653

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SAN DIEGO GAS & ELECTRIC COMPANY, a)
 corporation, for authorization to)
 carry out an agreement with General)
 Dynamics Corporation (Convair Divi-)
 sion) as amended and supplemented)
 by an Amendment and Supplement)
 No. 1 dated March 7, 1962 and a)
 letter agreement on Convair's let-)
 ter dated March 7, 1962.)

Application No. 44273

OPINION AND ORDERApplicant's Request

The San Diego Gas & Electric Company requests an order of this Commission authorizing it to carry out a contract dated December 15, 1958 with the Convair Division of the General Dynamics Corporation (Convair) as amended and supplemented by the Amendment and Supplement No. 1 dated March 7, 1962, and Convair's letter dated March 7, 1962. The contract provides for the sale of electric energy by the applicant to Convair for industrial radiant heat lamps and minor miscellaneous load. On February 17, 1959 this Commission authorized the applicant, by Decision No. 58016, to carry out the terms of the contract dated December 15, 1958. The Amendment and Supplement No. 1 and Convair's letter are attached to this application as Exhibits A and D, respectively.

Existing Contract

Under the contract of December 15, 1958, applicant has been supplying 12,000-volt electric service for about 12,000 kilowatts of load. Decision No. 58016 shows that Convair advanced to the applicant the sum of \$157,600 as the estimated nonrecoverable cost to the applicant of installing and removing facilities if the

installation should prove to be temporary. This advance was subject to being refunded for a period not to exceed 120 months at the rate of \$750 per month. Except for a special minimum monthly charge, Convair agreed to pay for electric service in accordance with applicant's Schedule A-5, General Service.

Proposed Amendments to Contract

The proposed amendments to the original contract result from notice by Convair that the maximum load required was reduced from 12,000 to 4,500 kilowatts. The applicant replaced, on September 29, 1961, the then existing transformer bank with one of a lower rating and negotiated the proposed amendments to reflect changed conditions and their effect on rates and charges under the contract.

The amendments to the contract encompass, in general, the following provisions:

1. The minimum monthly payment is to be reduced to the sum of \$3,500 plus 50 cents per kilowatt of load in excess of 3,000 kilowatts plus 8 mills for each kilowatt-hour of energy delivered.

2. To reflect the facilities now in place the applicant is to refund \$7,000 to adjust the balance of the advance for nonrecoverable costs made by Convair.

3. The amount of the nonrecoverable costs to be refunded monthly is to be reduced from \$750 to \$500.

4. Applicant will refund to Convair the difference between amounts paid under the conditions of the original contract by Convair to applicant for service since September 29, 1961, and the amounts which would be payable under the Amendment and Supplement No. 1. This difference would be approximately \$2,250 per month until terminated by the execution of the Amendment and Supplement No. 1. This provision makes the reduced monthly minimum charge and refund retroactive to the date upon which the reduced facilities were installed.

The Convair letter of March 7, 1962, makes this payment subject to the approval of this Commission.

The Amendment and Supplement No. 1 contains the statement that it shall not become effective unless and until this Commission has granted the authority to carry out the terms and conditions therein stated. The Amendment also contains a clause providing that it shall at all times be subject to such changes or modifications by the Commission as it may direct in the exercise of its jurisdiction.

Findings and Conclusions

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

IT IS HEREBY ORDERED that San Diego Gas & Electric Company is authorized to carry out the terms and conditions of the agreement dated December 15, 1958 with the General Dynamics Corporation, as amended and supplemented by the Amendment and Supplement No. 1 dated March 7, 1962, and the General Dynamics/Convair letter dated March 7, 1962, and to render the service described therein under the terms, charges and conditions stated therein.

IT IS HEREBY FURTHER ORDERED that:

1. The San Diego Gas & Electric Company shall file with this Commission within thirty days after the effective date of this order, two certified copies of the Amendment and Supplement No. 1 dated March 7, 1962, and the General Dynamics/Convair letter agreement dated March 7, 1962, as executed, together with a statement of the date when said contract is deemed to have become effective.

2. The San Diego Gas & Electric Company shall file with this Commission a statement showing the date electric service was first

supplied under this contract and 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 8th day of MAY, 1962.

Garrett A. Page
President
W. L. Mitchell
S. L. Fox
George G. Grover
Fredrick B. Holhoff
Commissioners