

ORIGINAL

Decision No. 63685

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application for Approval of Agreement)
dated January 17, 1962, between)
CALIFORNIA ELECTRIC POWER COMPANY and)
LOCKHEED PROPULSION COMPANY.)

Application No. 44258

O P I N I O N

Applicant's Request

California Electric Power Company (applicant) requests an order authorizing it to carry out the terms and conditions of an Electric Extension and Service Agreement, dated January 17, 1962, with Lockheed Propulsion Company (Lockheed). Said agreement relates to the request of Lockheed for electrical service to its property at Rancho San Jacinto Nuevo Y Potrero, Riverside County. A copy of the agreement is attached to the application as Exhibit B. Lockheed is engaged in the testing and production of rocket fuels.

Proposed Agreement

Applicant agrees to extend a 34.5-kilovolt electric line a distance of 6.2 miles to a 34.5/4.16-kilovolt substation to be built by applicant on said property. Lockheed has requested service facilities sufficient for an initial connected load of 560 horsepower.

Except for the provision of a minimum monthly payment of \$750 for a period of three years, Lockheed will pay for its service in accordance with applicant's filed Schedule A-3.1, General Service. Because of the unusual and often experimental nature of Lockheed's business, applicant states it cannot judge periods during which the customer will make use of the installed capacity. The minimum charge specified in the agreement is substantially that which would be

charged under Schedule A-3.1 for 560 horsepower. Applicant's Rule and Regulation No. 4 provides that a contract for a period of three years may be required by applicant where a line extension or substantial additional facilities are to be built.

Applicant estimates that the extension itself will cost \$70,079. This construction will be at the expense of applicant. Although the minimum annual revenue under this agreement will be \$9,000, the estimated annual revenue is \$25,000. Applicant alleges that the extension will not be at all burdensome to its other customers. In granting the authorization herein requested, we place applicant on notice that it may be required to bear any costs incident to the service being authorized herein should it appear, in any future rate proceeding, that the cost of rendering this service is not fully compensatory or is in any way a burden on applicant's other customers.

The agreement states that it shall not become effective until authorized by this Commission and that it shall be subject to the rules of applicant and to such changes or modifications as this Commission may direct in the exercise of its jurisdiction. Applicant and Lockheed are hereby put 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 this contract predicated on the existence of a contract between the parties authorized by this Commission.

Findings and Conclusions

The Commission finds that the proposed contract is not adverse to the public interest and concludes that the application should be granted. A public hearing is not necessary.

ORDER

IT IS HEREBY ORDERED that:

1. California Electric Power Company is authorized to carry out the terms and conditions of the written agreement with Lockheed Propulsion Company, dated January 17, 1962, set forth in Exhibit B attached to the application, and is authorized to render the electric service described therein under the terms, charges and conditions stated therein.

2. Applicant shall file with this Commission within thirty days after the effective date of this order two certified copies of said agreement, as executed, together with a statement of the date when said agreement is deemed to have become effective.

3. Applicant shall file with this Commission a statement showing the date electric service was first supplied under said agreement and shall file a statement promptly after termination of said agreement, showing the date of such termination.

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

Dated at San Francisco, California, this 14th day of MAY, 1962.

Geoffrey B. Pease
President

L. E. ...

S. L. Fox

George J. ...

Frederick B. ...
Commissioners