

ORIGINALDecision No. 63733

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PACIFIC GAS AND ELECTRIC COMPANY for
 authorization to carry out a written
 contract dated December 14, 1961 with
 THE WESTERN UNION TELEGRAPH COMPANY,
 relating to electric service near
 Cuyama, County of Santa Barbara,
 California.
 (Electric)

Application No. 44089

OPINION AND ORDER

By the above-entitled application filed January 10, 1962, Pacific Gas and Electric Company, hereinafter sometimes called Pacific, seeks an order of this Commission authorizing it to carry out the terms and conditions of a written contract dated December 14, 1961, with The Western Union Telegraph Company, hereinafter sometimes called Western. The contract relates to the extension of electric facilities in order to furnish all of the electric energy required by Western at its Microwave Repeater Station Site located in Olive Canyon near Cuyama, County of Santa Barbara, California.

Contract Provisions

Western agrees to pay Pacific for all energy which shall be required by Western for the operation of its Microwave Repeater Station in accordance with Pacific's Schedule P-3, General Power-Maximum Demand Basis-Alternating Current, or with any other duly and regularly established applicable rate schedule. Pacific estimates that it will receive an annual gross revenue of at least \$2,128.60 from the said sale of electric service requested by Western. Pacific must furnish and install approximately 18,480

feet of new 12 kv single-phase wood pole and wire electric distribution line, one 37½ kva, 12,000-120/240 volt single-phase transformer, one meter, service wires and other miscellaneous components at an estimated cost to Pacific of approximately \$22,049.

Concurrently with the execution of the contract, Western paid Pacific the sum of \$11,406.00, which sum is the difference between the estimated cost to Pacific of furnishing and installing the facilities and five times the amount of the estimated annual revenue to be derived from the sale of electric energy to Western. This sum is subject to refund to Western without interest as provided under Sections 3 and 4 of the contract.

In addition Western has agreed to pay Pacific (a) an annual cost of ownership charge of \$1,026.48, payable in equal monthly installments of \$85.54 each, commencing with the date of completion of the installation of the facilities, which annual cost of ownership charge is 9 percent of said \$11,406.00, and is subject to reduction as provided in Section 7, and (b) the continuing costs to Pacific, if any, for any right-of-way fees or land rentals incurred by Pacific in the procurement of land rights across public domain for the installation, operation and maintenance of the facilities.

Subject to authorization of the Commission, the contract is considered to be in force from and after the date thereof, December 14, 1961, to and including five years from and after the date electric service is first supplied to Western and shall continue thereafter until terminated by either party giving the other thirty days prior written notice thereof.

The contract contains the provisions that it shall at all times be subject to such changes or modifications by the

Commission as it may from time to time direct in the exercise of its jurisdiction.

Justification for Authorization

Because there is little prospect of new customers being served from the line extensions and because of the high cost to revenue ratio of approximately 10 to 1, Pacific believes it reasonable to invoke Section E-7, Exceptional Cases of Rule 15.

Pacific alleges that it has given careful consideration to all of the circumstances involved and that the contract of December 14, 1961, and the terms and conditions thereof are fair, just and reasonable to Pacific and Western.

Findings and Conclusions

The Commission will grant the authorization herein requested, and in so doing the Commission reaffirms its position as stated in other decisions, that if it should appear in a rate proceeding that any losses are being incurred because of deliveries under this contract such losses are not to be imposed on Pacific's other electric customers.

Applicant and Western 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 change in the contract predicated on the existence of a contract which has been authorized by this Commission.

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

IT IS HEREBY ORDERED that:

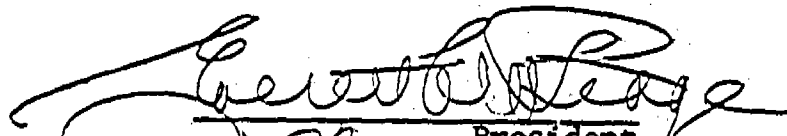
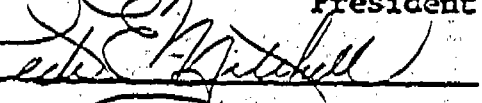

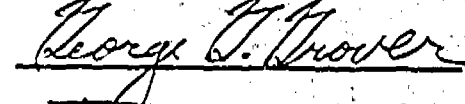

1. Pacific Gas and Electric Company is hereby authorized to carry out the terms and conditions of the written contract dated December 14, 1961, with The Western Union Telegraph Company, and to render the service described therein under the terms, charges and conditions stated therein.

2. Pacific Gas and Electric Company shall file with the Commission within thirty days after the effective date of this order three copies of said contract dated December 14, 1961, as executed, together with a statement of the date on which said contract is deemed to have become effective.

3. Pacific Gas and Electric Company shall file with this Commission a statement showing the date electric service is first supplied under said contract and subsequently 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 28th
day of MAY, 1962.


President




Commissioners