

Decision No. 64357**ORIGINAL**

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)
 interim power interchange agreement)
 dated July 3, 1962.)
 (Electric))

Application No. 44625
 (Filed July 11, 1962)

O P I N I O NApplicants' Request

Pacific Gas and Electric Company (Pacific) and Southern California Edison Company (Edison) request authorization to carry out the letter agreement, dated July 3, 1962, attached to this application as Exhibit H. Said agreement in effect extends for an indefinite period the term of an amended power interchange contract, dated December 31, 1947.

Power Interchange Contract

The existing power interchange contract is the result of a number of amendments of a power interchange agreement between Pacific and Edison, dated December 31, 1947, which was authorized by this Commission on March 2, 1948 (Decision No. 41276, Application No. 29071). Authority to amend this agreement was subsequently granted on August 14, 1951 (Decision No. 46073, First Supplemental Application No. 29071), on December 8, 1953 (Decision No. 49397, Second Supplemental Application No. 29071), on January 2, 1962 (Decision No. 62995, Application No. 44032), and on June 12, 1962 (Decision No. 63792, Application No. 44387).

Pacific and Edison sold and interchanged electric generating capacity and energy up to and including June 30, 1958, under the terms and conditions of the 1947 power interchange agreement. From June 30, 1958, to December 15, 1961, the systems of the applicants were not connected. On December 15, 1961, the systems were again connected near Bakersfield, California, via the 220 kilovolt, 250,000 kilovolt-ampere, transmission line between the Magunden Substation of Edison and the Midway Substation of Pacific. Applicants allege that since December 15, 1961, no occasion has arisen under the contract which resulted in deliveries of electric energy for reasons of economy, or in the furnishing of generating capacity or energy because of an emergency.

By Decision No. 46073, this Commission approved the extension of the term of the 1947 power interchange agreement from December 31, 1951, to April 16, 1962, a period of ten years after the completion of construction of the Midway-Magunden 220 kilovolt transmission line. By Decision No. 63792, this Commission approved the extension of the term of this agreement to July 16, 1962.

California Power Pool Agreement

Pacific and Edison, together with California Electric Power Company and San Diego Gas & Electric Company, have entered into a power pool agreement, dated December 14, 1961, for the purchase, sale and exchange of electrical capacity and energy among the four parties. This agreement is the subject of Application No. 44404 now pending before this Commission. This California Power Pool Agreement becomes effective when authorized by the regulatory agencies having jurisdiction.

Interim Power Interchange Agreement

The letter agreement, dated July 3, 1962, incorporates by reference all the terms and conditions of the 1947 power interchange agreement, as amended, except the time duration of the agreement. Said letter agreement provides that it shall be in effect from July 16, 1962, until the California Power Pool Agreement becomes effective, unless previously terminated on at least fifteen days' notice by either applicant.

Pacific and Edison allege that the rates, charges and services provided in the letter agreement of July 3, 1962, are fair, just and reasonable to each of the parties thereto, and in the public interest and for the benefit of improved service to the public.

Findings

The Commission finds as follows:

1. The proposed letter agreement, dated July 3, 1962, places no undue burden upon either of the applicants or upon their respective customers and it makes available potential power and energy to assist both Pacific and Edison in the performance of their public utility obligations. It is concluded that applicants should be authorized to carry out the terms of said agreement.
2. A public hearing is not necessary.

O R D E R

IT IS HEREBY 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 July 3, 1962, attached to the application as Exhibit H.

2. Applicants shall file three copies of said letter agreement of July 3, 1962, 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 of July 3, 1962, showing the date when it was terminated.

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

Dated at San Francisco, California, this 9th
day of OCTOBER, 1962.

George H. Hoover
President
W. R. Mitchell
Robert A. Leary
Frederic B. Holloff
Commissioners