

ORIGINALDecision No. 64357

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application for approval of agree-)
 ment dated May 25, 1962, between)
 CALIFORNIA ELECTRIC POWER COMPANY)
 and THE AMERICAN TELEPHONE AND)
 TELEGRAPH COMPANY for three-phase)
 service to The American Telephone)
 and Telegraph Company microwave)
 station located at Turquoise,)
 California.)

Application No. 44603
(Filed July 2, 1962)O P I N I O NApplicant's Request

California Electric Power Company requests authorization to carry out the terms and conditions of an electrical extension agreement, dated May 25, 1962, with The American Telephone and Telegraph Company (American). Said agreement relates to the request of American for 3-phase electric service to its microwave station located at Turquoise, San Bernardino County. A copy of the agreement is attached to the application as Exhibit A.

Proposed Agreement

Applicant is presently rendering single-phase electric service at this location, under an agreement dated July 22, 1955. Under the terms of the existing agreement American deposited \$48,600 to cover construction costs and in addition paid a special monthly charge of 1 percent on the deposit, said deposit being subject to refund by a credit of 20 percent against energy charges. This credit has resulted in a reduction of the deposit from \$48,600 to \$44,175.97.

To provide for an increase in its connected load at the microwave station to 175 kilowatts, American has requested 3-phase service. The cost of conversion is estimated at \$13,367, resulting in a total overall cost of construction of approximately \$61,967 for all the facilities.

American will pay for its electric service in accordance with filed Schedule A-4.1, General Service. Applicant estimates the annual revenue at \$6,600.

The proposed agreement provides that American will advance applicant the sum of \$28,967, which will be adjusted upon completion of the 3-phase service to reflect actual overall costs of construction, this sum being the difference between the estimated cost of construction to applicant and five times the estimated annual revenue of \$6,600 to be derived therefrom. Since applicant has in its possession \$44,175.97 of the deposit remaining from the previous agreement of July 22, 1955, applicant will return to American the difference between its remaining deposit under the previous agreement and the deposit required under the proposed agreement. The 1955 agreement shall terminate when the new agreement becomes effective.

American has agreed to pay applicant a special monthly charge of three fourths of 1 percent of the adjusted advance deposit of \$28,967. This deposit and the special monthly charges are subject to refund and adjustment for load subsequently added by American or other separately metered new permanent load served from the installed facilities.

It should be noted that a term of contract is not specified in the agreement. However, the agreement does provide that if American, within six years after service is first rendered, should

have no further need for the service, applicant may remove all or a portion of the facilities. Upon removal of any or all of these facilities American will pay the net cost to applicant for installing and removing said facilities with appropriate credit for any balance of advance deposit.

In granting the authorization herein requested, applicant is placed 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 electric customers.

The agreement provides that it shall not become effective until authorized by this Commission and that it shall be subject to such changes or modifications by this Commission as said Commission may, from time to time, direct in the exercise of its jurisdiction. Applicant and American 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 basis that a contract between the parties already exists as authorized by this Commission.

Finding

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

O R D E R

IT IS ORDERED that:

1. California Electric Power Company is authorized to carry out the terms and conditions of the written agreement with The

American Telephone and Telegraph Company, dated May 25, 1962, set forth as Exhibit A attached to the application, and to render the service described therein under the terms, charges and conditions stated therein.

2. California Electric Power Company shall file with this Commission within thirty days after the effective date of this order, two certified copies of the agreement, dated May 25, 1962, as executed, together with a statement of the date said agreement is deemed to have become effective.

3. California Electric Power Company shall file with this Commission a statement showing the date the electric service was first supplied under this agreement and shall file a statement promptly after termination, showing the date when said agreement was terminated.

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

Dated at San Francisco, California, this 16th day of OCTOBER, 1962.

George B. Hoover
President

[Signature]

[Signature]

[Signature]

Fredrick B. Helboff
Commissioners