

Decision No. 65365**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of
 SAN DIEGO GAS & ELECTRIC COMPANY,
 a corporation, for an order of the
 State of California approving a
 contract with CIA ELECTRICA FRONTERIZA,
 S.A., a Mexican corporation, covering
 the sale of electric energy for use in
 Tijuana, Ensenada and adjacent terri-
 tory, located in Baja California,
 Mexico.

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) Application No. 45129
) (Filed January 22, 1963)
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OPINION AND ORDER

San Diego Gas & Electric Company requests authority to carry out the terms and conditions of a contract dated December 21, 1962 with Cia Electrica Fronteriza, S.A., a Mexican corporation, covering the sale of electric energy to the customer for use in Tijuana, Ensenada and adjacent territory in Baja California, Mexico. A copy of the contract is attached to the application as Exhibit A.

Applicant previously rendered service to the customer in accordance with the provisions of Special Contract No. 47 dated December 13, 1955 (herein called 1955 contract) authorized by Decision No. 53758 dated September 11, 1956 in Application No. 38233 and supplemental agreement dated July 9, 1959 (herein called 1959 agreement) authorized by Decision No. 59578 dated February 1, 1960 in Application No. 41642. Upon receipt of information by applicant that the Comision Federal de Electricidad of the Republic of Mexico was constructing a steam-electric generating plant for service to the customer, applicant notified the customer by letter dated June 20, 1962 that the 1955 contract and 1959 agreement would be terminated as of December 31, 1962.

Subsequently, applicant negotiated a new contract with the customer dated December 21, 1962 (herein called the 1962 contract) attached to the application as Exhibit A, which provides for continuation of electric service by the applicant in accordance with filed Schedule R, Resale Service, and on substantially the same terms and conditions as provided in the 1955 contract and 1959 agreement terminated December 31, 1962, except for the addition of provisions for the possible supply of standby service under applicant's filed Schedule S, Standby Service, and a modification of the provisions for termination of the contract. Schedules R and S are attached to and made a part of the 1962 contract.

Applicant states that the 1962 contract does not increase the rates and charges for electric energy delivered to customer except to the extent that the customer takes advantage of the standby provisions of the contract and thereby incurs rates and charges applicable under applicant's Schedule S. Such standby service was not available to customer under the 1955 contract or 1959 agreement.

The 1962 contract provides for service metered and delivered on the United States side of the border at a delivery voltage of 69,000 volts and not to exceed a maximum demand of 40,000 kilowatts nor a total amount of energy of 160,000,000 kilowatt-hours per year, which are the limitations authorized by the Federal Power Commission's order issued September 1, 1959 in Docket IT 5743 in connection with applicant's 1959 agreement.

As in the 1955 contract, the customer is permitted to continue to operate not more than 2,000 kilowatts installed capacity in the customer's existing generating plant at Ensenada for a period not to exceed six hours continuously each and every day during the hours of maximum demand to supply a portion of the peak demand load

in and around Ensenada. Such operation to be permitted in conformity with the provisions and in the manner specified in the contract.

The term of the contract with respect to Schedule R only is to be for the period commencing January 1, 1963, and continuing to July 1, 1963, and continuing from month to month thereafter until either party shall notify the other in writing of its desire to terminate the contract at the expiration of thirty days from the date of such notification.

The contract provides that it shall not become effective unless and until it shall have been authorized by this Commission, nor until the applicant shall have obtained an order from the Federal Power Commission of the United States of America and any other governmental authority required to authorize the applicant to transmit electrical energy from the United States of America as covered in the 1962 contract.

Schedule S shall apply commencing on the first day on which all or any portion of the electrical energy requirements of the customer are supplied from any source other than the applicant, except such energy as may be supplied from the customer's generating plant at Ensenada under the provisions of Section V(c) of the contract. Once commenced, Schedule S shall continue to apply throughout the remaining term of the contract. The standby charges of Schedule S shall be added to the regular charges of Schedule R.

The contract also provides that it shall be subject to such changes or modifications as this Commission may direct from time to time, in the exercise of its jurisdiction and that it shall be subject to such applicable rules, regulations, or orders issued by the President of the United States of America or of the Federal Power Commission.

Applicant is 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 finds that the requested authority is not adverse to the public interest and the application will be granted. Applicant is placed on notice that if it should appear in a rate proceeding that the revenue derived from this contract is not compensatory, such revenue inadequacy is not to be imposed on applicant's other electric customers. A public hearing is not necessary.

IT IS ORDERED that:

1. Applicant is authorized to carry out the terms and conditions of the contract, dated December 21, 1962, with Cia Electrica Fronteriza, S. A., a copy of which contract is attached to the application as Exhibit A.

2. Applicant shall file, within thirty days after the effective date of this order, four certified copies of the contract as executed, together with a statement of the date on which said contract is deemed to have become effective.

3. Applicant shall notify the Commission within thirty days after the date Schedule S is applied, including the amount of electrical energy supplied customer from a source other than from applicant, in accordance with Section III(c) of the contract.

4. Applicant shall notify the Commission of the date of termination of the contract within thirty days after said date of termination.

5. Applicant shall file, within thirty days after the effective date of this order and in conformity with General Order No. 96-A, a revised list of contracts and deviations, including the contract herein authorized. Such list shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

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

Dated at San Francisco, California, this 14th day of MAY, 1963.

Henry T. Crowe
President
Everett C. McKeage
Frederick B. Holcomb
William W. Bennett

Commissioners

Commissioner Everett C. McKeage, being necessarily absent, did not participate in the disposition of this proceeding.