

ORIGINALDecision No. 65814

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
 PLUMAS-SIERRA RURAL ELECTRIC
 COOPERATIVE for an order of the Public
 Utilities Commission of the State of
 California, granting and conferring
 upon applicant all necessary permission
 and authority to carry out the terms
 and conditions of a written contract
 with STATE OF CALIFORNIA, acting
 through the DEPARTMENT OF CORRECTIONS,
 dated July 16, 1962.

Application No. 44711

OPINION AND ORDER

PLUMAS-SIERRA RURAL ELECTRIC COOPERATIVE (Plumas-Sierra), by this application, filed August 20, 1962, as amended February 4, 1962, requests an order authorizing it to carry out the terms and conditions of a contract dated July 16, 1962, as revised October 29, 1962, attached to the amended application as Exhibit No. 1-A, with STATE OF CALIFORNIA (State) acting through the DEPARTMENT OF CORRECTIONS. The revised contract relates to the sale and delivery of electric power and energy by Plumas-Sierra from its electric system for use by State at its California Conservation Center facilities (Center) near Susanville in Lassen County.

Plumas-Sierra has obtained a commitment from the United States Bureau of Reclamation (Bureau) that the latter will contract to sell and deliver 500 kilowatts of Central Valley Project power to Plumas-Sierra lines at the East Quincy substation of the system of Pacific Gas and Electric Company (Pacific) for resale to the Center. Plumas-Sierra anticipates that later the Bureau will contract for a total of 1,650 kilowatts of Central Valley Project power, all for the life of the revised contract.

Upon the terms and conditions set forth in the revised contract Plumas-Sierra has agreed, among other things, to sell and deliver to State electric power and energy, not to exceed 1,500 kilowatts except to the extent that excess capacity is available and not necessary to supply Plumas-Sierra's other requirements, at a nominal voltage of 12,500 at the high voltage terminals of the State's Center substation.

For such transmission and delivery service State will pay Plumas-Sierra a fixed monthly charge computed as set forth in the revised contract plus \$1.55 per kilowatt of contract demand each month, plus an energy charge equal to the cost of such electric power and energy under Schedule No. R2F2 of the United States Bureau of Reclamation multiplied by 110 percent to allow for transmission losses.

If and when State's demand for power exceeds that otherwise available under the revised contract, Plumas-Sierra will sell and deliver to State such additional power and energy, if available, under its filed Schedule No. LP, Large Power Service.

The revised contract also provides that Plumas-Sierra will, at its own risk and expense, construct an electric transmission line from its Milford substation to a new Leavitt substation to be constructed by Plumas-Sierra, and a line to be operated at a nominal voltage of 12,500 from its Leavitt substation to State's Center substation.

The revised contract is to remain in effect until April 2, 1971 and contains provisions for cancellation by either party upon 30 days' advance written notice to the other if facilities are not ready within one year from date of the contract.

The Commission will grant the authorization herein requested and in so doing the Commission reaffirms its position, stated in other decisions, 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.

The revised contract states that it shall at all times be subject to such changes or modifications by the Public Utilities Commission of the State of California as said Commission may, from time to time, direct in the exercise of its jurisdiction. The contract is also subject to the approval of the Administrator of the Rural Electrification Administration. Plumas-Sierra and State are hereby placed on notice that in any future rate proceedings, this Commission will not be obligated to consider the opposition of either party to any proposed changes in the revised contract predicated on the existence of a contract which has been authorized by this Commission.

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

IT IS HEREBY ORDERED that:

1. Plumas-Sierra Rural Electric Cooperative is authorized to carry out the terms and conditions of the written contract with the State of California acting through the Department of Corrections, dated July 16, 1962, as revised October 29, 1962, set forth in Exhibit No. 1-A attached to the amended application, and is authorized to render the service described therein under the terms, charges and conditions stated therein.

2. Plumas-Sierra Rural Electric Cooperative shall file with this Commission, within thirty days after the effective date of this order, two certified copies of the contract dated July 16, 1962, as revised October 29, 1962, together with a statement of the date said revised contract is deemed to have become effective.

3. Plumas-Sierra Rural Electric Cooperative shall file with this Commission a statement showing the date electric service was first supplied under the contract dated July 16, 1962, as revised October 29, 1962 and 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 1st day of AUGUST, 1963.

William L. Burnett
 President

George H. Trover
 Commissioner

Frederick B. Hallock
 Commissioners