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ORIGINAL

Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application for Approval of Three
 Agreements between CALIFORNIA ELECTRIC
 POWER COMPANY and PACIFIC TELEPHONE
 AND TELEGRAPH COMPANY For Service to
 Microwave Stations located at Belle
 Mountain, Joshua and Ranger Peak,
 California.

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) Application No. 45619
) (Filed July 25, 1963)
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OPINION AND ORDER

California Electric Power Company requests authorization to carry out the terms and conditions of three electrical line extension agreements with Pacific Telephone and Telegraph Company (Pacific), one dated July 5, 1963, and two dated July 3, 1963. The agreements relate to the request of Pacific for electrical service to three microwave stations located at Belle Mountain, Joshua and Ranger Peak. A copy of each agreement is attached to the application as Exhibits A, B and C, respectively.

Applicant agrees to extend its electric distribution facilities approximately (1) 10 miles to the Belle Mountain station at an estimated cost of \$140,000, (2) 3 miles to the Joshua station at an estimated cost of \$35,000, and (3) 3 miles to the Ranger Peak station at an estimated cost of \$25,000. Pacific agrees to pay for its electric service in accordance with applicant's filed Schedule No. A-4.1, General Service. Applicant estimates the annual revenue to be \$1,500 for each installation.

Prior to construction of the facilities to Belle Mountain, Joshua and Ranger Peak, Pacific agrees to pay to applicant advance deposits of \$132,500, \$27,500 and \$17,500, respectively, which respective amounts are the difference between the estimated cost

of furnishing and installing the required facilities and five times the estimated annual revenue from each installation to be derived from the sale of electric energy to Pacific. Fifteen months after the date applicant first commences to render electric service under each agreement, the advance deposit will be adjusted to reflect an actual annual revenue determined by the amount of revenue derived by applicant from each installation during the last 12 months of the afore-mentioned 15 months.

The Belle Mountain agreement provides that Pacific shall pay applicant a special monthly charge of five-sixth of one per cent of the advance deposit as initially estimated and subsequently adjusted and the Joshua and Ranger Peak agreements provide that Pacific shall pay applicant a special monthly charge of three-fourths of one per cent of the advance deposits as initially estimated and subsequently adjusted. Each agreement provides that in the event other permanent new loads, including additional installed loads of Pacific, are connected to the facilities constructed to serve Pacific and the annual revenue derived from such loads reaches one-fifth of the estimated cost of the facilities the special monthly charge shall cease.

The term of the agreements is not specified; however, each agreement provides that, in the event Pacific, within six years from the date applicant is first ready to render service, has no further need for service, applicant may remove all or a portion of the facilities erected and if all the facilities are removed within said period Pacific will pay applicant the actual installation and removal costs less estimated salvage value.

Each agreement provides that it shall become effective when authorized by this Commission and that it shall be subject to

the rules of the applicant and to such changes or modifications as this Commission may direct in the exercise of its jurisdiction.

Applicant and Pacific are hereby placed 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 these agreements predicated on the existence of an agreement which has been authorized by this Commission.

The Commission finds that the proposed agreements are not adverse to the public interest and concludes that the application should be granted. Applicant is placed on notice that if it should appear in a rate proceeding that the revenue derived from any of these agreements 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. California Electric Power Company is authorized to carry out the terms and conditions of the three written agreements with Pacific Telephone and Telegraph Company dated July 5, 1963, July 3, 1963 and July 3, 1963, copies of which are attached to the application as Exhibits A, B and C, respectively.
2. Applicant shall file with this Commission within thirty days after the effective date of this order, four certified copies of each agreement as executed, together with a statement of the date of which each agreement is deemed to have become effective.
3. Applicant shall notify the Commission of the date of termination of each agreement within thirty days after date of termination.
4. Applicant shall file with this Commission within one hundred eighty days after the effective date of this order and

in conformity with General Order No. 96-A, the summary required by that general order, listing all contracts and deviations, including the agreements 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 twenty days after the date hereof.

Dated at San Francisco, California, this 15th day of OCTOBER, 1963.

Stallanpla Brunell
President
George L. Grover
Fredrick B. Holzhauff
Commissioners