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Decision No. _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application for Approval of Agreement)
 Dated May 17, 1963, between CALIFORNIA)
 ELECTRIC POWER COMPANY and THE WESTERN)
 UNION TELEGRAPH COMPANY. }

Application No. 45534
 (Filed June 19, 1963)

OPINION AND ORDER

California Electric Power Company requests authorization to carry out the terms and conditions of an electrical line extension agreement dated May 17, 1963, with The Western Union Telegraph Company (Western). The agreement relates to the request of Western for electrical service to its microwave station located at Montana Mines "C" in San Bernardino County. A copy of the agreement is attached to the application as Exhibit A.

Applicant agrees to extend its electric distribution facilities a distance of approximately 11 miles to Western's installation at an estimated cost of \$52,592. Western 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 \$1,260.

Prior to construction of the facilities, Western agrees to pay to applicant an advance deposit of \$46,292 which amount is the difference between the estimated cost of furnishing and installing the required facilities and five times the estimated annual revenue to be derived from the sale of electric energy to Western. Fifteen months after the date applicant first commences to render electric service under this agreement, the advance deposit will be

adjusted to reflect an actual annual revenue determined by the amount of revenue derived by applicant during the last 12 months of the aforementioned 15 months.

Western has agreed to pay applicant a special monthly charge of three-fourths of 1 percent of the advance deposit as initially estimated and subsequently adjusted. The agreement provides that in the event other permanent new loads, including additional installed load of Western, are connected to the facilities constructed to serve Western 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 agreement is not specified; however, the agreement provides that, in the event Western, 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 Western will pay applicant the actual installation and removal costs less estimated salvage value.

The 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 Western 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 this agreement predicated on the existence of an agreement which has been authorized by this Commission.

The Commission finds that the proposed agreement is 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 this agreement 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 written agreement with The Western Union Telegraph Company dated May 17, 1963, a copy of which agreement is attached to the application as Exhibit A.

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

3. Applicant shall notify the Commission, in writing, of the date of termination of the 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 agreement herein authorized. Such list shall become effective upon five days' notice to the Commission and to the public after filing as hereinabove provided.

5. Applicant shall, within thirty days after the advance deposit as adjusted has been determined, file a statement with this Commission indicating the amount thereof.

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

Dated at San Francisco, California, this 29th day of OCTOBER, 1963.

William A. Bernal
 President

John S. Ditchfield

Everett W. Leary

George H. Grover

Frederick B. Holoboff
 Commissioners