

Decision No. 66458**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of Application of  
 California Electric Power Company  
 for approval of Participation  
 Agreement #2 and Revised Service  
 Schedule B of Power Coordination  
 Agreement with Imperial Irrigation  
 District and Arizona Public Service  
 Company, and for approval of 1963  
 Transmission Agreement with Imperial  
 Irrigation District.

Application No. 45866  
 (Filed October 15, 1963)

OPINION AND ORDER

California Electric Power Company requests approval of Participation Agreement #2 and Revised Service Schedule B of Power Coordination Agreement with Imperial Irrigation District and Arizona Public Service Company, and for approval of 1963 Transmission Agreement with Imperial Irrigation District, copies of which are attached to the application as Exhibits A, B and C, respectively.

This Commission, in Decision No. 55122, dated June 11, 1957 in Application No. 38764 granted applicant a certificate of public convenience and necessity to construct the Yuma Axis Steam Plant and authorized applicant to carry out the terms and conditions of the following agreements:

1. Axis Station Agreement with Arizona Public Service Company.
2. Power Coordination Agreement (including Participation Agreement #1 and Service Schedule B) with Imperial Irrigation District and Arizona Public Service Company.
3. Amendment No. 1 to Power Coordination Agreements.
4. Power Transmission Agreement with Imperial Irrigation District.

These agreements relate to applicant's Axis Steam Generating Plant located near Yuma, Arizona and the utilization of the output of this plant by Arizona Public Service Company, Imperial Irrigation District and applicant. The agreements were authorized to provide applicant with economic means to meet anticipated load growth in southeastern California including power sold wholesale to Industrial Electrica Mexicana, a subsidiary company of applicant located in Mexico.

Applicant states that because of the sale of Industrial Electrica Mexicana Company to an agency of the Mexican government in 1960 and the plans of the Mexican government to provide its own source of power, the requirements of capacity and energy from the Axis plant will be substantially reduced and the necessity for using certain facilities of Imperial Irrigation District for transmission of energy from the Axis plant to Mexico will be eliminated. Accordingly, applicant has negotiated certain changes in Power Coordination Agreement with Arizona Public Service Company and Imperial Irrigation District and certain changes in the Power Transmission Agreement with Imperial Irrigation District. These changes are reflected in Exhibits A, B and C attached to this application.

Participation Agreement #2 attached to this application as Exhibit A supersedes Participation Agreement #1 which was terminated May 31, 1963. Applicant states that under the new agreement the respective parties have been assigned a fixed participation percentage of the Axis plant where under the old agreement their percentages fluctuated from year to year and that the effect of this change is

to reduce applicant's participation percentage from and after May 31, 1964. The effective date of this agreement is June 1, 1963.

Revised Service Schedule B, Exhibit B, is stated to be substantially similar to the original Service Schedule B, which it replaces, and contains changes necessary to reflect the changes in Participation Agreement #1. The Revised Service Schedule B is to become effective concurrently with Participation Agreement #2.

Applicant states that the only major changes in the 1963 Transmission Agreement, Exhibit C to the application, cover charges for transmission services and transmission terminal facilities which have been reduced due to the loss of its Mexican load making certain transmission facilities no longer necessary.

The agreements for which applicant requests approval are of indefinite term, as were the original agreements approved in Decision No. 55122, and are subject to termination as of May 31, 1968, or as of May 31 of any subsequent year by written notice given not less than four years in advance of the date of termination. The agreements state that they do not become effective until all necessary approvals of regulatory authorities have been obtained.

The application states that, except as superseded or modified by Participation Agreement #2, Revised Service Schedule B, and 1963 Transmission Agreement, all documents approved by this Commission in Decision No. 55122 will remain in full force and effect.

The Commission finds that, due to applicant's loss of its Mexican load, the proposed agreements effecting changes in agreements authorized in Decision No. 55122 are not adverse to public interest and concludes that the application should be granted. 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 Participation Agreement #2 and Revised Service Schedule B of Power Coordination Agreement with Imperial Irrigation District and Arizona Public Service Company, copies of which are attached to the application as Exhibits A and B, respectively.

2. California Electric Power Company is authorized to carry out the terms and conditions of 1963 Transmission Agreement with Imperial Irrigation District, a copy of which is attached to the application as Exhibit C.

3. 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 on which each agreement is deemed to have become effective.

4. Applicant shall notify the Commission of the date of termination of each agreement within thirty days after date of termination.

5. Decision No. 55122, except as superseded or modified by the order herein, shall remain in full force and effect.

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

Dated at San Francisco, California, this 17 day of DECEMBER, 1963.

William L. Bennett  
President  
W. E. [unclear]  
W. E. [unclear]  
George T. Trover  
Frederick B. Hallock  
Commissioners