

Decision No. 66589

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the application of)
 PACIFIC GAS AND ELECTRIC COMPANY)
 for authorization to carry out the)
 terms and conditions of a written)
 agreement dated June 17, 1963 with)
 THE WESTERN UNION TELEGRAPH COMPANY)
 relating to electric service at Cow)
 Hill on Pine Ridge near Morgan Hill,)
 Santa Clara County, California.)
 (Electric)

Application No. 45910
 Filed October 28, 1963

OPINION AND ORDER

Pacific Gas and Electric Company requests authorization to carry out the terms and conditions of a written agreement dated June 17, 1963 with The Western Union Telegraph Company, a copy of which is attached to the application as Exhibit A.

The application states that Pacific agrees to extend its electric distribution line to furnish (1) all of the electric energy which shall be required by Western for the operation of its microwave station equipment (50 hp) at Cow Hill on Pine Ridge near Morgan Hill, Santa Clara County, and (2) to provide electric service by means of this extension to two houses located on the Hewlett-Packard Ranch in the vicinity of the microwave station, as separately metered customers. Western has agreed to assume the charges for the extension to the Hewlett-Packard Ranch.

Pacific states that to provide this service it will be necessary to furnish and install a pole line extension approximately 39,268 feet in length, transformers, meters, service wires and other miscellaneous components, at an estimated cost of \$26,504.

Western agrees to pay for its electrical energy in accordance with Pacific's filed Schedule A-24, General Service and the application states that Schedule D-24, Domestic Service, will be applicable to the Hewlett-Packard Ranch. Pacific estimates that it will receive an annual revenue of \$1,650 from Western and \$210 from the Hewlett-Packard Ranch customers, a total of \$1,860.

The application states that upon execution of the agreement, Western paid Pacific an advance sum of \$17,204 which is the difference between the estimated cost of construction of the facilities and five times the amount of the estimated annual revenue to be derived from the sale of electric energy to Western and the Hewlett-Packard Ranch customers. This advance paid by Western is subject to refund in accordance with provisions of the agreement upon the addition of new permanent loads to the facilities.

Western has agreed to pay Pacific a monthly cost of ownership charge of \$129.03, which amount represents three-fourths percent of said \$17,204. This monthly charge is subject to adjustment, in accordance with provisions of the agreement, should new separately metered load be served directly from the facilities to be installed.

Pacific states that the special agreement will prevent the service to be furnished from becoming a burden on other customers.

The application states that, subject to authorization of the Commission, the terms of the agreement shall commence on June 17, 1963 and shall continue for an initial term of five years from and after either (a) the date electric service is first established thereunder, or (b) six months subsequent to the date Pacific is ready to supply service from these facilities, whichever date is earlier. The agreement is subject to termination in accordance with applicable filed rules of applicant.

The agreement provides that it shall not become effective until authorized by the Commission and shall be subject to such changes or modifications as this Commission may direct in the exercise of its jurisdiction.

Pacific 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.

Pacific 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 Pacific's other electric customers.

The Commission finds that the proposed agreement is not adverse to the public interest and concludes that the application should be granted. A public hearing is not necessary.

IT IS ORDERED that:

1. Pacific Gas and Electric Company is authorized to carry out the terms and conditions of the written agreement dated June 17, 1963 with The Western Union Telegraph Company, a copy of which 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.

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

Dated at San Francisco, California, this 14th day of January, 1964.

William L. Bennett
President
George E. ...
Everett ...
George T. ...
Frederick B. ...
Commissioners