

ORIGINALDecision No. 67858

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PACIFIC GAS AND ELECTRIC COMPANY for
 a certificate of public convenience
 and necessity to construct, install,
 operate, maintain and use Unit No. 3
 at The Geysers Power Plant.
 (Electric)

Application No. 46807
 (Filed July 15, 1964)

OPINION AND ORDER

Pacific Gas and Electric Company (Pacific), requests a certificate of public convenience and necessity for the construction, operation, and maintenance of a third unit at its geothermal steam-electric generating station in Sonoma County, known as The Geysers Power Plant.

Unit No. 1 at The Geysers Power Plant and its accompanying transmission-line project were certificated by this Commission's Decision No. 58243, dated April 7, 1959, in Application No. 40641. Unit No. 1 was placed in commercial operation on September 25, 1960. Subsequently and pursuant to the authorization contained in Decision No. 62243, dated July 11, 1961, in Application No. 43331, Pacific constructed Unit No. 2, having an operating capacity of 12,500 kw and bringing the total plant capacity to 25,000 kw. Unit No. 2 was placed in commercial operation March 19, 1963.

Pacific now proposes to install Unit No. 3, which will consist of one 25,000 kw (nominal) capacity turbo-generator, one barometric condenser with gas ejectors and circulating pumps, and

one cooling tower, together with related electrical facilities, including one 24,000/32,000 kva, 13.8/60 kv, 3 phase transformer. The unit is to be supplied with not less than 550,000 pounds of steam per hour at a minimum pressure of 65 pounds per square inch gauge and a temperature of about 342 degrees Fahrenheit. Applicant proposes to have Unit No. 3 in operation by June, 1966.

The estimated cost of Unit No. 3 is \$4,100,000. The average delivered energy cost is estimated to be 4.95 mills per kilowatt-hour at a 90% capacity factor as compared to 5.65 mills for Units Nos. 1 and 2 combined at a 90% capacity factor.

Unit No. 3 will be located about 1 mile west of Units Nos. 1 and 2. Pacific proposes to construct a 60 kv transmission line from Unit No. 3 to Units Nos. 1 and 2 and about 10 miles of 60 kv transmission line from Unit No. 3 to a connection with Pacific's Fulton-Hopland transmission line in the vicinity of Cloverdale.

For the operation of The Geysers Power Plant, Pacific purchases geothermal steam, pursuant to the terms and conditions of an agreement dated October 30, 1958, as amended March 31, 1961, with Magma Power Company and Thermal Power Company. The basic agreement as amended is a part of Application No. 43331 and is hereby incorporated into this proceeding by reference.

On the basis of the information before it, the Commission finds that applicant's proposal is in the public interest, that public convenience and necessity now require and will require the construction of Unit No. 3 at The Geysers Power Plant, together with related facilities and transmission lines as proposed in this

application, that a public hearing is not necessary, and that a certificate should be issued.

The certificate of public convenience and necessity which will issue herein is subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

The action taken herein is for the issuance of a certificate of public convenience and necessity only and is not to be considered as indicative of amounts to be included in proceedings for the purpose of determining just and reasonable rates.

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Pacific Gas and Electric Company to construct, operate, maintain and use geothermal steam-electric generating Unit No. 3 of The Geysers Power Plant as described in the application.

2. Applicant shall file with this Commission a detailed statement of the capital cost of The Geysers Power Plant Unit No. 3 and the facilities and transmission lines related thereto within one year following the date of completion.

3. The authorization granted shall expire if not exercised within three years from the effective date hereof.

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

Dated at San Francisco, California, this 22nd day of SEPTEMBER, 1964.

Frederick B. Holmoff
President
D. E. [unclear]
George H. [unclear]
George H. [unclear]
William [unclear]
Commissioners