

ORIGINAL

Decision No. 68636

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of )  
PACIFIC POWER & LIGHT COMPANY for )  
an order authorizing it to furnish )  
electric service under the terms )  
and conditions of an agreement with )  
U. S. Plywood Corporation at rates )  
other than those contained in its )  
tariff schedule now on file and in )  
effect. )

Application No. 47201  
Filed December 21, 1964

OPINION AND ORDER

Pacific Power & Light Company (applicant), requests an order authorizing it to carry out the terms and conditions of an agreement dated October 4, 1963 with McCloud Operation--California Division, U. S. Plywood Corporation (customer) relating to the furnishing of electric service to customer's plant at McCloud, Siskiyou County. A copy of the agreement is attached to the application as Exhibit A.

Under the terms and conditions of the agreement applicant agrees to furnish and maintain necessary facilities to deliver power and energy to customer up to a maximum rate of 6,000 kva. Customer agrees to pay applicant for said power and energy in accordance with the schedule of charges shown on Exhibit A to the agreement.

The application states that the customer, in conjunction with the operation of its plant, owns and operates a steam electric generating plant of approximately 3,500 kilowatts installed capacity and customer under said agreement agrees to deliver to applicant upon request such electric power and energy as is needed and can, in the opinion of customer, be made available during periods when applicant

has emergency conditions or scheduled short-term interruptions affecting service to applicant's customers served from its McCloud substation. Such deliveries of electric power and energy are to be measured at 2,300 volts and payment therefor made to customer by applicant in accordance with the schedule of charges shown on Exhibit A to the said agreement.

The schedule of charges set forth in Exhibit A to the agreement provides for a waiver of certain demand charges in computing billings for electric service. The billing demand under the schedule of charges provided in the agreement shall be the higher of: (1) the maximum measured 15-minute integrated demand in kilowatts in excess of 2,000 kilowatts occurring during the month, or (2) 50 percent of the highest demand of (1) above established during the preceding 11 months. Charges for demand in kilowatts for less than 2,000 kilowatts, as provided in applicant's filed Schedule No. 30, are waived. With the exception of said waiver of demand charges, the charges are the same as those of applicant's presently effective tariff, Schedule No. 30.

Applicant presently serves the community of McCloud by means of a single transmission line and the availability of customer's generation makes available to applicant an alternate source of supply under emergency conditions or scheduled interruptions.

Supplemental information received from applicant by letter dated January 21, 1965, which is hereby received as Exhibit 1 herein, states that applicant estimates construction of an alternate transmission line approximately 7.8 miles in length to provide emergency service to the community of McCloud would cost in excess of \$200,000 and would result in additional annual expense for carrying charges in excess of \$24,000; it is estimated that installation and maintenance

of standby generating facilities of 2,000-kw capacity would represent an investment of not less than \$180,000 and an annual expense of more than \$27,000. The maximum annual reduction in the company's revenues due to the waiver of certain demand charges as provided in said agreement is \$14,256.

Applicant alleges that the annual loss of revenue due to said waiver of demand charges is less than the cost of maintaining an additional alternate transmission line or maintaining an alternate standby emergency plant to provide emergency service to the community of McCloud.

Applicant states that full performance by the parties to the agreement will not constitute a burden upon applicant's other electric customers.

The agreement states that it shall, at all times, be subject to such changes or modifications by this Commission as it may direct in the exercise of its jurisdiction. Said agreement further provides that it shall not become effective until authorized by this Commission; that it shall apply to all interchanges of electric power and energy between customer and Pacific for an initial period of five years beginning with Pacific's first regular meter reading date after October 4, 1963, and shall continue in full force and effect from year to year thereafter until terminated by written notice given by either party to the other not later than thirty days prior to the termination of the initial period or of any succeeding contract year.

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 Power & Light Company is authorized to carry out the terms and conditions of the written agreement dated October 4, 1963 with McCloud Operation--California Division, U. S. Plywood Corporation, a copy of which is attached to the application as Exhibit A.

2. Pacific Power & Light Company 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. Pacific Power & Light Company shall notify this Commission in writing of the date of termination of the agreement within thirty days after the date of termination.

4. Pacific Power & Light Company shall file with this Commission, within thirty days after the effective date of this order and in conformity with General Order No. 96-A, the summary required by the general order, listing all contracts and deviations, including the agreement herein authorized. Such list shall become effective upon regular statutory notice (30 days) to this 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 24th day of February, 1965.

Frederick B. Holboell  
President  
Arthur P. Mitchell  
George T. Trover  
Hollister W. Bennett  
Commissioners