

ORIGINALDecision No. 68695

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 PACIFIC GAS AND ELECTRIC COMPANY for
 an order (a) authorizing applicant to
 carry out a letter agreement dated
 December 14, 1964 with SOUTHWESTERN
 PORTLAND CEMENT COMPANY which modifies
 an existing interruptible gas contract,
 and (b) modifying a certificate of
 public convenience and necessity
 heretofore issued.

Application No. 47300
 (Filed January 29, 1965;
 Amendment filed February 15,
 1965)

(Gas)

OPINION AND ORDER

Pacific Gas and Electric Company (Pacific) requests authority to carry out the terms and conditions of a letter agreement dated December 14, 1964 with Southwestern Portland Cement Company (Southwestern). A copy of the letter agreement, marked Exhibit A, is attached to the application. Initial gas service to Southwestern near Victorville was authorized by Decision No. 53610, dated August 21, 1956, in Application No. 38170, under a contract between Pacific and Southwestern dated June 13, 1956 due to terminate April 21, 1967. Decision No. 53610 also granted Pacific a certificate to extend service to Southwestern at its plant two miles north of Victorville. The letter agreement dated December 14, 1964 provides for extending the initial term to April 21, 1970.

Pacific proposes to install on Southwestern's premises a main extension of about 12.5 miles at a cost of approximately \$465,466 to serve a new cement kiln of Southwestern at the Black Mountain quarry, 13 miles northeast from Victorville. The extension

will traverse, in part, the service area of Southwest Gas Corporation as shown on the map marked Exhibit B attached to the application. Pacific will furnish gas service under its Schedule No. G-56. All service to Southwestern will be billed as a single delivery since it is on the same premises.

Decision No. 55552, dated September 10, 1957, in Application No. 39277, authorized Pacific and Southwest Gas Corporation to carry out the terms of a service agreement dated July 8, 1957 which provides that Pacific is not required to sell gas to Southwest Gas Corporation for resale to any interruptible gas customer being served by Pacific.

Pacific proposes to exercise the right, privilege and franchise granted to it by Ordinance No. 760 of the Board of Supervisors of the County of San Bernardino to the extent necessary to construct, operate and maintain the extension to supply gas to Southwestern's new plant. A copy of Ordinance No. 760 is of record in Pacific's Amended Third Supplemental Application No. 29548, Exhibit No. SB-10. The new kiln is to be located outside the present certificated service area of Pacific. We will issue an appropriate certificate to exercise the franchise granted by Ordinance No. 760, to serve the kiln at Black Mountain quarry.

The Commission finds that the letter agreement of December 14, 1964 between Pacific and Southwestern is not adverse to the public interest.

The Commission further finds that public convenience and necessity require that a certificate be granted for the exercise of the rights and privileges granted under Ordinance No. 760 of the County of San Bernardino in said area for the purpose of

extending service to Black Mountain quarry. A public hearing is not necessary. The certificate hereinafter granted is subject to the following provision of law:

The Commission shall have no power to authorize the capitalization of the franchise involved herein or these certificates of public convenience and necessity or the right to own, operate or enjoy such franchise or certificates of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State or to a political subdivision thereof as the consideration for the grant of such franchise, certificates of public convenience and necessity, or right.

O R D E R

IT IS ORDERED that:

1. Applicant is hereby authorized to carry out the terms and conditions of the letter agreement, dated December 14, 1964, with Southwestern Portland Cement Company.

2. Applicant is hereby granted a certificate of public convenience and necessity to exercise the rights and privileges granted by the County of San Bernardino by Ordinance No. 760 to serve Southwestern Portland Cement Company at Black Mountain quarry. The Commission may hereafter by appropriate proceeding and order limit the authority granted as to any territory within the County of San Bernardino not then being served by it.

3. Applicant shall refile its Schedule No. G-56 with an amended territory definition and its service area map to include the interruptible gas service to Black Mountain quarry, in conformity with General Order No. 96-A and effective upon five days' notice.

4. Applicant shall file with this Commission, within thirty days after the effective date of this order, four certified copies of the letter agreement dated December 14, 1964 as executed.

5. Applicant shall notify this Commission in writing of the date service is first furnished under the agreement, within thirty days after such commencement of service.

6. Applicant, within six months following the date of completion of this extension, shall file with this Commission a detailed statement of the capital costs of the extension and related facilities.

7. Applicant shall file with this Commission, in conformity with General Order No. 96-A, a revised summary list of contracts and deviations to include the contract herein authorized.

The authority herein granted will expire if not exercised within one year from the date hereof.

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

Dated at San Francisco, California, this 9th day of MARCH, 1965.

Frederick B. Holoff
President

John E. Mitchell

George J. Hoover

Augustine

William W. Bernard
Commissioners