

Decision No. 69382**ORIGINAL**

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 International)
Paper Company at rates other)
than those contained in its tar-)
iff schedule now on file and in)
effect.)

Application No. 47599
Filed May 19, 1965

OPINION AND ORDER

Pacific Power & Light Company (applicant) requests an order authorizing it to carry out the terms and conditions of an agreement dated April 15, 1965, with International Paper Company (customer) relating to the furnishing of electric service at customer's plant near Weed, Siskiyou County. A copy of the agreement is attached to the application as Exhibit A.

The California Oregon Power Company, to which applicant is successor in interest under and by virtue of a merger effective June 21, 1961, entered into an agreement dated August 24, 1931, with the Long-Bell Lumber Sales Corporation which provided that in consideration of the electric power made available to the utility, the utility would furnish incidental standby service to the customer's plant at a rate of 7.5 mills per kilowatt-hour. Said agreement was filed with the Commission on January 25, 1932.

On March 1, 1954, agreement dated August 24, 1931 was amended to increase the energy rate for said standby electric service to customer's plant to 8.25 mills per kilowatt-hour effective January 1, 1954. Said amendment was approved March 23, 1954, by

Commission Resolution No. E-839. Applicant now furnishes electric power and energy to customer at the rates and under the conditions provided in agreement dated August 24, 1931, as amended March 1, 1954. The Long-Bell Lumber Company, successor to the Long-Bell Lumber Sales Corporation, was acquired by the International Paper Company in November 1956.

Applicant states it has become necessary to install substation facilities to serve adequately the increased electric service requirements of the customer and in order to provide for such installation and recognize changed conditions, including operation of the customer's generating facilities, on April 15, 1965, applicant and customer entered into an agreement to provide for subsequent furnishing of certain electric power and energy to customer's plant.

Under the terms and conditions of the agreement applicant agrees to furnish, operate and maintain the necessary facilities to furnish and deliver all electrical power and energy requirements of customer in excess of the output of customer's present electric generators up to a maximum rate of supply of 6,500 kilowatts. With the exception of certain minimum monthly charges, as set forth in the agreement, monthly bills shall be rendered to customer in accordance with applicant's filed tariff Schedule No. 30. Special minimum monthly charges, higher than in the filed tariffs, have been provided in consideration of applicant's investment in substation facilities in order to serve customer, the electric generating equipment which customer owns, operates and maintains for serving a portion of customer's total power and energy requirements, and the operation of electric generating equipment in parallel with applicant's system. The agreement eliminates provision for exchange of power and energy between applicant and customer.

Applicant alleges that full performance by the parties to the agreement will not constitute a burden upon applicant's other

electric customers and will be in the public interest. The agreement states that it shall at all times be subject to such changes or modifications as this Commission may, from time to time, direct in the exercise of its jurisdiction and the agreement shall not become effective until authorization of this Commission is first obtained.

The provisions of this agreement shall apply to all electric service provided by applicant for an initial period of five years commencing with the date of the first regular meter reading following the date of approval of this agreement by the Commission. The agreement shall continue in effect from year to year thereafter unless terminated by written notice given by either party to the other not less than 180 days prior to the end of said initial period or of any succeeding year.

The agreement further provides that all previous agreements covering the sale of electric power and energy between the parties hereto shall be terminated as of the effective date defined in the agreement.

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 April 15, 1965 with International Power Company, 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.

3. 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 13th day of JULY, 1965.

Frederick B. Hallock
President

George E. Grover

Augusta

Shelton L. Bennett
Commissioners

Commissioner Peter E. Mitchell, being necessarily absent, did not participate in the disposition of this proceeding.