

ied

**ORIGINAL**

Decision No. 69481

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 granting and conferring  
upon applicant all necessary per-  
mission and authority to perform  
and carry out a written agreement  
dated April 8, 1965 with GUY F.  
ATKINSON COMPANY.  
(Electric)

Application No. 47600  
(Filed May 19, 1965)

OPINION AND ORDER

Pacific Gas and Electric Company (applicant) requests an order granting authority to carry out the terms and conditions of a written agreement dated April 8, 1965 with Guy F. Atkinson Company (Atkinson), which relates to the furnishing and installing of certain facilities to provide temporary electric service to Atkinson near Oroville in Butte County.

The agreement relates to the supply of temporary electric service for the operation of Atkinson's electrical equipment with an estimated load of 2,450 kva. A copy of the agreement is attached to the application as Exhibit A.

Applicant agrees to furnish and install certain facilities consisting of (a) converting approximately two miles of existing 12 kv line to 60 kv, (b) extending the 60 kv line approximately 4,800 feet, (c) a 2,250/2,587 kva 60/12 kv substation, (d) approximately 200 feet of 12 kv wood pole line, and (e) 12 kv metering equipment and service wires. Applicant estimates the total cost of this installation to be \$57,079.

The agreement provides that Atkinson shall, in accordance with applicant's Rule 13, Temporary Service, pay in advance of construction the sum of \$25,302.54, which is the estimated cost of installing and later removing the facilities, less the estimated salvage value.

Service will be rendered under Schedule A-13, modified as follows: If for any month the bill for electric service, as computed under the then effective schedule, amounts to less than the sum of (1) \$586.97, said amount being  $1\frac{1}{2}$  percent of the installation cost, less the sum of \$126.51, said amount being  $\frac{1}{2}$  percent of the advance, plus (2) the amount computed for energy used at the terminal rate of the then applicable schedule, said total called the contract minimum, then Atkinson agrees to pay applicant the contract minimum instead of the lesser amount.

The exclusion of any contract minimum billing month from the 36-month and subsequent 12-month periods for the refund of any advance payment is a modification of Section C.2 of applicant's filed Rule No. 13, Temporary Service. Applicant states these modifications are necessary to adequately protect its capital investment in the temporary electric facilities.

If service is used by Atkinson for a continuous period of 36 months from the date of first service, Atkinson shall be classed as permanent and the advance of \$25,302.54 shall be refunded at the rate of  $1\frac{2}{3}$  percent for each month of service in excess of the first 12 months exclusive of any month in which Atkinson has been billed the contract minimum.

Atkinson contemplates that the period of operation will approximate three years and estimates its demand requirements to be 2,450 kva. The annual gross revenue to be derived by applicant

under Schedule No. A-13 for this service is estimated to be \$60,000. After the initial three-year period, Atkinson's demand requirements are expected to be reduced to less than 400 kva. The annual gross revenue to be derived by applicant after the reduction is said to be insufficient to cover the cost of service and its continuing ownership costs for the new facilities required to provide the initial 2,450 kva service requirements.

In the event Atkinson's load requirements are reduced to 400 kva or less, applicant will be entitled to remove the facilities not required to serve Atkinson's reduced load requirements.

The agreement provides that the cost of installing and removing the facilities made idle due to the reduction in load requirements will be deducted from the advance and any balance will be subject to refund in accordance with the agreement. Upon written notification by Atkinson of such reduced load, the contract minimum will be eliminated.

The agreement provides that it shall not become effective until authorization of the Commission is first obtained and shall at all times be subject to such changes or modifications by the Commission as it may from time to time direct in the exercise of its jurisdiction.

Applicant and Atkinson are hereby placed on notice that in any future 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.

The Commission finds that the proposed agreement is not adverse to the public interest and concludes that the application should be granted. Applicant is placed on notice that if it should

appear in a future proceeding that any losses are being incurred because of deliveries under this agreement, such losses are not to be imposed on applicant's other electric customers. 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 April 8, 1965 with Guy F. Atkinson Company, a copy of which is attached to the application as Exhibit A.

2. Pacific Gas and Electric 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, 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 Gas and Electric Company shall notify the Commission in writing of the date of termination of the agreement within thirty days after the date of termination.

4. Pacific Gas and Electric Company shall file with this Commission, 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 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 3rd day of AUGUST, 1965.

Frederick B. Holbrook  
President  
August  
Commissioner

Commissioner George G. Grover, being necessarily absent, did not participate