

ORIGINALDecision No. 70184

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 permis-)
 sion and authority to perform and)
 carry out a written agreement dated)
 September 20, 1965 with DRAVO-)
 ATKINSON-GROVES.)
 (Electric))

Application No. 48030
 Filed November 4, 1965

OPINION AND ORDER

Pacific Gas and Electric Company (applicant) requests an order authorizing it to carry out the terms and conditions of a written agreement dated September 20, 1965, with DRAVO-ATKINSON-GROVES (DAG). The agreement, a copy of which is attached to the application as Exhibit A, relates to the furnishing and installing of certain facilities to provide temporary electric service to DAG near Lebec in Kern County for the operation of DAG's electrical equipment with an estimated load of 1,500 kw for use during the construction of Tunnel No. 4, of the California Aqueduct Project.

Applicant agrees to furnish and install certain facilities consisting of (a) a 1500 kva 70/2.4 kv substation, (b) approximately 13.7 miles of 70 kv wood pole lines, (c) a line voltage regulator, and (d) transformers, metering equipment and service wires. Applicant estimates the total cost of this installation to be \$173,742.

The agreement provides that DAG shall, in accordance with applicant's Rule 13, Temporary Service, pay in advance of construction the sum of \$143,825, 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) \$1,452.65, said amount being 1-1/4 percent of the installation cost, less the sum of \$719.12, said amount being 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 DAG agrees to pay applicant the contract minimum instead of the lesser amount.

If service is used by DAG for a continuous period of 36 months from the date of first service, DAG shall be classed as permanent and the advance of \$143,825 shall be refunded at the rate of 1-2/3 percent for each month of service in excess of the first 12 months exclusive of any month in which DAG has been billed the contract minimum. 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. The application states in the event permanent electric customers are served directly from the facilities installed to serve DAG, applicant shall refund that part of the payment made by DAG for the portion of the facilities so utilized.

DAG contemplates that the period of operation will approximate four years and estimates its demand requirements to be 1500 kva. The annual gross revenue to be derived by applicant under Schedule No. A-13 for this service is estimated to be \$178,000.

Applicant states that in the event DAG does not operate as anticipated, the standard minimum charges of Schedule No. 13 would be insufficient to cover the cost of service and its continuing ownership costs for the new facilities required to provide the 1500 kva service requirements.

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 DAG 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 September 20, 1965, with Dravo-Atkinson-Groves, 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 11th day of JANUARY, 1966.

Frederick B. Hodeloff
President

W. E. ...

George J. Hoover

Augusta

William ...
Commissioners