

ORIGINAL

Decision No. 70659

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SOUTHERN CALIFORNIA EDISON COMPANY, a)
corporation, for an order of the)
Public Utilities Commission of the)
State of California, authorizing it to)
carry out the terms and conditions of)
an Application and Contract for Added)
Facilities dated December 20, 1965,)
for service to Thums Long Beach)
Company.)

Application No. 48244
(Filed February 11, 1966)

OPINION AND ORDER

Southern California Edison Company (applicant) requests an order authorizing it to carry out the terms and conditions of a written agreement dated December 20, 1965, with Thums Long Beach Company (Thums).

On March 14, 1966, applicant, by letter dated March 10, 1965, filed certain corrections and changes to the application. Said letter is received herein as Exhibit 1.

The agreement, a copy of which is attached to the application as Exhibit A, relates to the furnishing and installing of certain special facilities necessary to furnish electric service to a planned 1,000 wells at five separate field locations, including four off-shore island installations.

Applicant states that Thums is the authorized agent for Texaco, Inc., Humble Oil and Refining Company, Union Oil Company of California, Socony Mobil Oil Company, Inc. and Shell Oil, Inc., who are the field contractors for the exploration, development and operation of the Long Beach Unit, Wilmington Oil Field, California.

As the delivery point for electric service to the islands will be on the mainland, Thums requested applicant to furnish the necessary distribution facilities from the delivery point to the islands on an added facilities basis. Applicant advised Thums that due to the special facilities required, including submarine cable and conduit, a major portion of which would not be salvageable if service were terminated, and the inaccessibility of such facilities for maintenance and repair, such added facilities could not be furnished under its filed tariff schedules.

Applicant agrees to furnish and install substation facilities and submarine cable facilities for an estimated total cost of \$2,383,232. The agreement provides that Thums will pay a monthly charge in the amount of one and one-fourth percent (1-1/4%) of the installation costs for the special facilities as determined by applicant and as shown on Exhibit A, subject to such adjustments as are provided in the agreement.

The agreement provides that in the event a portion of the facilities, consisting of submarine cable facilities are abandoned by termination of service or otherwise prior to twenty (20) years from the date service is first rendered by means of such submarine cable facilities, Thums will pay applicant the estimated costs (\$1,693,000), as shown in the agreement, less the estimated salvage, of installing and removing such submarine cable facilities. Said amount shall be reduced one-fourteenth (1/14) for each year of continuous service, commencing in the sixth year subsequent to the date service is first rendered by means of such facilities.

Thums further agrees that in the event the special impedance 66-4 KV transformers furnished at their request are

abandoned by termination of service or otherwise prior to five (5) years from the date service is first rendered by means of the special transformers, Thums will pay applicant the estimated costs (\$485,359) as shown in the agreement for installing and removing said transformers. In the event that such special impedance 66-4 KV transformers are abandoned by termination of service or otherwise prior to twenty (20) years from the date service is first rendered by means of such transformers, Thums will also pay the cost of conversion for use of such facilities on applicant's system, providing that such costs shall not exceed the initial cost of the transformer or transformers abandoned.

It is also provided in the agreement that Thums will furnish the necessary water transportation for applicant's normal and emergency maintenance and operating requirements. In addition, Thums agrees to provide trenching for the initial installation of pipe conduit and to provide all necessary service in raising the cable and pipe as may be required for service, repair and maintenance.

Applicant states that it believes the terms and conditions of the agreement can be carried out without impairing service rendered to its other customers and that said agreement will provide adequate compensation for the services to be furnished and it will not be a burden on its other customers.

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

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

Applicant is placed on notice that if it should appear in a future proceeding that the revenue derived from this agreement is not compensatory, such revenue inadequacy is not to be imposed on applicant's other electric customers.

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. Southern California Edison Company is authorized to carry out the terms and conditions of the written agreement dated December 20, 1965, with Thums Long Beach Company, a copy of which is attached to the application as Exhibit A.

2. Southern California Edison 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. Southern California Edison Company shall notify the Commission, in writing, of the date of termination of this agreement within thirty days after date of termination.

4. Southern California Edison 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 that general order, listing all contracts and deviations,

including the agreement herein authorized. Such list shall become effective upon statutory notice (thirty days) 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 10th day of MAY, 1966.

Frederick B. Hallock
President

George E. Brown

Reginald

William C. Smith
Commissioners

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