

ORIGINAL

Decision No. 70940

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
PACIFIC GAS AND ELECTRIC COMPANY for
a certificate of public convenience
and necessity to construct, install,
operate, maintain and use Unit No. 4
at The Geysers Power Plant.
(Electric)

Application No. 48448
(Filed May 3, 1966)

OPINION AND ORDER

Pacific Gas and Electric Company (Pacific) requests a certificate of public convenience and necessity for the construction, operation, and maintenance of a fourth unit at its geothermal steam-electric generating station in Sonoma County, known as The Geysers Power Plant.

Unit No. 1 at The Geysers Power Plant and its accompanying transmission-line project were certificated by this Commission's Decision No. 58243, dated April 7, 1959, in Application No. 40641. Unit No. 1 was placed in commercial operation on September 25, 1960. Subsequently and pursuant to the authorization contained in Decision No. 62243, dated July 11, 1961, in Application No. 43331, Pacific constructed Unit No. 2, having operating capacity of 12,500 kw and bringing the total plant capacity to 25,000 kw. Unit No. 2 was placed in commercial operation March 19, 1963. Unit No. 3 was certificated by this Commission's Decision No. 67858, dated September 22, 1964, in Application No. 46807, having operating capacity of 27,500 kw (name plate). Commercial operation of Unit No. 3 is scheduled for September, 1966.

Pacific now proposes to install Unit No. 4, which will consist of one 27,500 kw (name plate) capacity turbo-generator,

one barometric condenser with gas ejectors and circulating water pumps, and one cooling tower, together with related electrical facilities, including one 24,000/32,000 kva, 13.8-60/115 kv, 3 phase transformer, the unit to be provided with not less than 550,000 pounds of steam per hour at a pressure of 65 pounds per square inch gauge and a temperature of about 342 degrees Fahrenheit. Applicant proposes to have Unit No. 4 in commercial operation by December 1, 1968.

The estimated cost of Unit No. 4 is \$3,170,000. The average delivered energy cost is estimated to be 4.42 mills per kilowatt-hour at 90% capacity factor as compared with 4.81 mills for Unit No. 3 and with 5.65 mills for Units Nos. 1 and 2 combined at a 90% capacity factor.

Unit No. 4 will be located adjacent to Unit No. 3 about 1½ miles west of Units Nos. 1 and 2. The transmission facilities to be furnished in connection with Unit No. 3 will be used for the output of Unit No. 4. These 60 kv transmission facilities will include about 1.0 miles of transmission line from Units Nos. 1 and 2 and about 10.5 miles of transmission lines from Unit No. 3 to an existing transmission line in the vicinity of Cloverdale.

For the operation of The Geysers Power Plant, Pacific purchases geothermal steam pursuant to an agreement dated October 30, 1958, as amended by agreements respectively dated March 31, 1961, and August 4, 1964, with Magma Power Company and Thermal Power Company. The basic agreement as amended is a part of Application No. 43331 and is hereby incorporated into the record herein by reference.

The Commission finds that applicant's proposal is in the public interest, that public convenience and necessity now require and will require the construction of Unit No. 4 of The Geysers Power Plant, together with related facilities and transmission lines as proposed in

this application, that a public hearing is not necessary, and that a certificate should be issued.

The certificate of public convenience and necessity which will issue herein is subject to the following provision of law:

That the Commission shall have no power to authorize the capitalization of this certificate of public convenience and necessity or the right to own, operate or enjoy such certificate of public convenience and necessity in excess of the amount (exclusive of any tax or annual charge) actually paid to the State as the consideration for the issuance of such certificate of public convenience and necessity or right.

The action herein is for the issuance of a certificate of public convenience and necessity only and is not to be considered as indicative of amounts to be included in proceedings for the purpose of determining just and reasonable rates.

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to Pacific Gas and Electric Company to construct, operate, maintain and use geothermal steam-electric generating Unit No. 4 of The Geysers Power Plant as described in the application.

2. Applicant shall file with this Commission a detailed statement of the construction cost of The Geysers Power Plant Unit No. 4 and related facilities and transmission lines within one year following the date of completion.

3. The authorization granted shall expire if not exercised within three years from the effective date hereof.

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

Dated at SAN FRANCISCO, California, this 12th day of JULY, 1966.

[Signature]
President

George T. Traver

Fredrick P. Hallock

Auguston

William M. Bernard
Commissioners