

ORIGINALDecision No. 72626

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 permission and
 authority to perform and carry out a
 written agreement, dated March 1, 1967
 with PERINI CORPORATION, MORRISON-KNUDSEN
 CO., INC., and BROWN AND ROOT, INC.
 (Electric)

Application No. 49300
 Filed April 20, 1967

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 March 1, 1967, with Perini Corporation, Morrison-Knudsen Co., Inc., and Brown and Root, Inc. (Perini). 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 Perini near Lebec in Kern County for the operation of Perini's electrical equipment at three service locations with an estimated total load of 3,500 kw for use during the construction of a discharge tunnel at the Tehachapi Pumping Plant, a portion of the California Aqueduct Project.

Applicant agrees to furnish and install certain facilities consisting of (a) a 3,750 kva 70/12 kv substation, (b) approximately 1.85 miles of 70 kv wood pole line, (c) 2 miles of 12 kv wood pole line and (d) transformers, metering equipment and service wires. Applicant estimates the total cost of this installation to be \$116,544.

The agreement provides that Perini shall, in accordance with applicant's Rule 13, Temporary Service, pay in advance of construction the sum of \$64,675, which is the estimated cost of installing and later removing the facilities, less the estimated salvage value.

The agreement provides for a contract minimum amount at each service location. Said contract minimum shall be (1) $1\frac{1}{2}$ per cent of the allocated installation cost for each location less (2) $\frac{1}{2}$ per cent of the allocated advance which total amount is the monthly cost of ownership charge, plus (3) the kilowatt-hours of electricity delivered at each location times the terminal energy rate of the applicable rate schedule.

Service will initially be rendered under applicant's Schedule A-13. Each of the three service locations for Perini will be metered and billed separately. If for any month the bill for electric service at any location computed under said schedule amounts to less than the contract minimum then Perini shall pay applicant, for such month, the contract minimum amount instead of the lesser amount.

If service is used by Perini for a continuous period of 36 months from the date of first service, Perini shall be classed as permanent and the advance shall be refunded at the rate of $1\frac{2}{3}$ per cent for each month of service in excess of the first 12 months exclusive of any month in which Perini has been billed on 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 that these modifications are necessary to adequately protect

its capital investment in the temporary electric facilities. The application further states that in the event permanent electric customers are served directly from the facilities installed to serve Perini, applicant shall refund that part of the payment made by Perini for the portion of the facilities so utilized.

Perini contemplates that the period of operation will approximate three years and estimates its demand requirements to be 3,500 kva. The annual gross revenue to be derived by applicant under Schedule No. A-13 for this service is estimated to be \$197,000. Applicant states that in the event Perini 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 3,500 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 Perini 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 March 1, 1967 with Perini Corporation, Morrison-Knudsen Co., Inc., and Brown and Root, Inc., 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 statutory notice (30 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 20th day of JUNE, 1967.

[Signature]
 President

[Signature]
 Secretary

[Signature]
 Commissioner

[Signature]
 Commissioner