

**ORIGINAL**

Decision No. 73702

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of DEPARTMENT OF WATER RESOURCES OF THE STATE OF CALIFORNIA for approval, under the authority of Section 22 of the Federal Power Act, of the term of Oroville-Thermalito Power Sale Contract.

Application No. 49965  
(Filed January 24, 1968)

OPINION AND ORDER

The Department of Water Resources of the State of California (Applicant) requests an order approving, under authority of Section 22 of the Federal Power Act, the term of a contract entitled Oroville-Thermalito Power Sale Contract, dated November 29, 1967, a copy of which is attached to the application as Exhibit A.

Applicant is now constructing Oroville Dam and related facilities on the Feather River as a part of the State Water Project which will provide water, power, flood control, recreation and fish and wildlife benefits. The application states the Federal Power Commission issued a license for these facilities, Project No. 2100, for a period of fifty years commencing February 1, 1957.

Applicant desires authority to enter into said Power Sale Contract with Pacific Gas and Electric Company, Southern California Edison Company and San Diego Gas & Electric Company for the sale and purchase of electric power produced by the Oroville-Thermalito facilities. The maximum term of the Power Sale Contract is for fifty years from its date or until all bonds of the revenue bond issue under Central Valley Project, Water Code of the State of California, secured by revenues from the Power Sale Contract have been retired, whichever is later. A term of at least fifty years is

required to maximize the amount of power revenue bonds which can be marketed. Such maximum term of the Power Sale Contract thus extends beyond the expiration date of the original Federal Power Commission license for Project No. 2100.

Section 22 of the Federal Power Act provides as follows:

"That whenever the public interest requires or justifies the execution by the licensee of contracts for the sale and delivery of power for periods extending beyond the date of termination of the license, such contracts may be entered into upon the joint approval of the (Federal Power) commission and of the public-service commission or other similar authority in the State in which the sale or delivery of power is made, or if sold or delivered in a State which has no such public-service commission, then upon the approval of the commission, and thereafter, in the event of failure to issue a new license to the original licensee at the termination of the license, the United States or the new licensee, as the case may be, shall assume and fulfill all such contracts."

Applicant states that on June 16, 1967, application was made to the Federal Power Commission for approval, under the authority of Section 22 of the Federal Power Act, of the term of this Power Sale Contract.

On January 9, 1968 the Federal Power Commission issued a "Notice of Application for Approval of Contract for Sale of Power Extending Beyond Date of Termination of License." The last day upon which protests may be filed is February 15, 1968.

The action being taken herein is for the purpose of approving the term of the agreement only and is not to be construed as granting any authority to the Pacific Gas and Electric Company, Southern California Edison Company and San Diego Gas & Electric Company or as indicative of amounts to be included in proceedings for the determination of just and reasonable rates for those companies.

The Commission finds that the term of the Power Sale Contract is reasonably required for the purpose specified herein and is not adverse to the public interest.

The Commission further finds that the authorization which shall issue herein should not become effective until approval, pursuant to the provisions of Section 22 of the Federal Power Act, is obtained from the Federal Power Commission.

A public hearing is not necessary.

IT IS ORDERED that:

- 1. Department of Water Resources of the State of California is authorized to enter into the Oroville-Thermalito Power Sale Contract, dated November 29, 1967, a copy of which is attached to the application marked Exhibit A for the term specified in said contract.
- 2. The effective date of said authorization shall be the date of authorization granted by the Federal Power Commission under the provisions of Section 22 of the Federal Power Act.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 6<sup>th</sup> day of FEBRUARY, 1968.

President  
*William A. Bennett*  
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*Augustine*  
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*William A. Quinn Jr.*  
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*Sheel P. Moussey*  
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 Commissioners

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