

ORIGINAL

Decision No. 74529

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 authorizing it to carry
out the terms of a special facilities
agreement dated March 5, 1968 with
the HUMBLE OIL & REFINING COMPANY.
(Electric)

Application No. 50220
(Filed May 8, 1968)

OPINION AND ORDER

Pacific Gas and Electric Company (Pacific) requests an order authorizing it to carry out the terms and conditions of an agreement dated March 5, 1968, with the Humble Oil & Refining Company (Humble) to install special electric facilities for an alternate supply of electric service to Humble's new refinery at Benicia, Solano County. A copy of the agreement is attached to the application marked Exhibit A.

The application states that Humble requested the special electric facilities to make available an alternate source of supply, thereby providing a higher degree of continuity of service which is of vital importance to minimize the probability of interruption of service to its refinery processes which could create a hazardous situation causing great expense to Humble.

Pacific agrees to install certain special electric facilities consisting of one additional 12 kv oil circuit breaker and one additional 230 kv oil circuit breaker together with related wiring at its Bahia substation, which will provide service to Humble's refinery from either of two 12 kv circuits. The total installed cost of the special facilities is estimated to be \$109,750 over and above the cost of the facilities which Pacific would normally provide at its own expense.

Humble agrees to pay Pacific, in addition to the monthly rates and charges for electric service, a monthly charge of \$1,371.88 commencing with the date on which the above-mentioned facilities are first available for Humble's use. This monthly charge represents one and one-fourth per cent ($1\frac{1}{4}\%$) of the aforementioned \$109,750. Pacific claims the monthly charge of one and one-fourth per cent ($1\frac{1}{4}\%$) of the investment in the special facilities is a system average figure where the customer does not advance the cost of the special facilities as provided in its Rule 15 and is necessary to cover cost of its additional capital investment.

The agreement provides that upon discontinuance of the use of the special facilities due to termination of service or termination of this agreement, or otherwise, Humble shall pay to Pacific the estimated net cost of installing and removing the special facilities.

The agreement also provides that it shall, subject to the Commission's authorization, be in force for an initial term of three months, commencing on the date of execution and thereafter from month to month until terminated by either party on at least thirty days advance written notice 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.

The application states that the service to be furnished under this agreement will not result in a burden on Pacific's other customers.

Pacific and Humble are hereby placed on notice that in any future rate proceeding this Commission will not be obligated to consider the opposition of either party 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. Pacific 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 Pacific'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 5, 1968 with Humble Oil & Refining Company, 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 been effective.

3. Pacific Gas and Electric Company shall notify the Commission in writing of the date service is first supplied and 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 13th day of AUGUST, 1968.

William J. Sproule, Jr.
President

[Signature]

Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.

Commissioner Fred P. Morrissey, being necessarily absent, did not participate in the disposition of this proceeding.