

Decision No. 75537

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND
ELECTRIC COMPANY for an order
authorizing it to carry out the
terms of a special facilities
agreement dated November 13, 1968
with the LOCKHEED MISSILES AND
SPACE COMPANY.
(Electric)

Application No. 50881
(Filed February 13, 1969)

OPINION AND ORDER

Pacific Gas and Electric Company (Pacific) requests an order authorizing it to carry out the terms of a special facilities agreement dated November 13, 1968 with the Lockheed Missiles and Space Company (Lockheed) to install special electric facilities to provide a finer degree of voltage regulation to Lockheed at Pacific's Lockheed Substation No. 2, Sunnyvale. A copy of the agreement is attached to the application marked Exhibit A.

These special facilities consist primarily of one 1680/2250 kva voltage regulator, together with related switches and structures. The total installed cost of the special facilities is estimated to be \$55,965 and is over and above the cost of facilities which Pacific would normally provide at its own expense.

Lockheed has requested the special electric facilities because of its determination that it is of vital importance to minimize the probability of variations in voltage, however minor, in its electric service. The voltage regulator will provide a narrower degree of variation, which is required to serve sensitive equipment of Lockheed.

Instead of Lockheed advancing the extra cost for the special facilities as provided under Pacific's Rule 15, Pacific has agreed to install the special facilities at its expense. However, to compensate Pacific for its additional capital investment, Lockheed agrees

(a) to pay a monthly special facility charge on the additional investment and (b) in the event Lockheed terminates the agreement, to pay the installation and removal cost attributable to the facilities.

Lockheed agrees to pay Pacific, in addition to the monthly rates and charges for electric service, a monthly charge of \$699.56 commencing with the date on which the above-mentioned facilities are first available for Lockheed's use. This monthly charge represents one and one-fourth percent ($1\frac{1}{4}\%$) of the aforementioned \$55,965.

Pacific states the monthly charge of one and one-fourth percent ($1\frac{1}{4}\%$) 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, Lockheed shall pay to Pacific the estimated net cost of installing and removing the special facilities less the estimated value of the special facilities upon their removal.

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 Lockheed 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 November 13, 1968 with Lockheed Missiles and Space 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 8th APRIL day of APRIL, 1969.

William Augustus J. ...
President

Augustus ...

George P. ...

William ...

Commissioners