

Decision 84 08 119

AUG 7 1984

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

PACIFIC POWER & LIGHT COMPANY,

Complainant,

vs.

SURPRISE VALLEY ELECTRIFICATION
CORPORATION,

Defendant.

Case 84-03-08
(Filed March 23, 1984)

Robert P. Harrington, Attorney at Law, for
Pacific Power & Light Company, complainant.
John P. Baker, Attorney at Law, for Surprise
Valley Electrification Corporation, defendant.
R. S. Kahlon, for the Commission staff.

O P I N I O N

Pacific Power & Light Company (Pacific), a Maine corporation, provides electric public utility service in six states including various areas in Oregon and northern California. In Modoc County it operates under a certificate of public convenience and necessity granted by Decision (D.) 47987 on December 2, 1952 in Application (A.) 33596, to its predecessor, the California Oregon Power Company (California-Oregon).¹ Before then, California-Oregon had operated in portions of Modoc County since 1929 pursuant to Ordinance No. 88, a 50-year franchise granted to it by the Modoc County Board of Supervisors. This franchise expired in 1979 and was renewed in Pacific's name in September 1979 for another 50-year term.

¹ In 1961 Pacific merged with California-Oregon. Earlier, California-Oregon had acquired several smaller private electric companies which were serving early residents, and which had pioneered electric service in Modoc County. Today Pacific generally serves the high density, higher populated areas, although it also provides rural and irrigation service in different areas through distribution lines off its transmission line corridor.

Surprise Valley Electrification Corporation (Surprise Valley), a California non-profit corporation organized in 1937,² also provides electric public utility services in southern Oregon and northern California. In Modoc County, Surprise Valley operates under a certificate of public convenience and necessity granted by the same decision (D.47987) which certificated California-Oregon's operations in 1952. Surprise Valley similarly operates under a 50-year franchise pursuant to Ordinance No. 97 granted by the Modoc County Board of Supervisors in 1936. As a non-profit corporation with loan agreements with the Rural Electrification Administration, Surprise Valley is obligated to supply power to anyone in rural areas requesting it. Consequently, Surprise Valley tends to serve the rural and less populated areas, but including residential, irrigation, and commercial accounts.

² In a test case (Plumas-Sierra Rural Electric Cooperative, Inc. (1950) 50 CPUC 301; writ denied Plumas-Sierra v P.U.C., S.F. No. 18353) with general applicability, this Commission had concluded that a mere declaration of restrictive purposes set forth in Articles of Incorporation does not preclude a finding that a utility is serving the general public, and therefore under the California Constitution and Public Utilities Code within the Commission's jurisdiction, when that utility asserts that while membership is a prerequisite, it is ready to take on new members or patrons and never rejects anyone. As a result of that decision, Surprise Valley filed A.33522, consolidated for hearing and decision with California-Oregon's A.33569.

As to each utility, the certificates granted pursuant to D.47987 in 1952 allowed each to serve such portions of Modoc County as were then being served, or as would be served thereafter, through contiguous extensions of each's then existing systems made in the ordinary course of business as contemplated by § 1001 of the Public Utilities Code (PU Code). Beyond the purview of § 1001, "except upon prior written notice to the other utility, neither utility shall extend its present or future distribution lines more than one mile to provide either an additional or a new service when such proposed extension or extensions will reach within three miles of present or then existing distribution lines of the other utility," and "If upon written notice by either utility to the other utility of such proposed extension of present or future distribution lines, the utility so notified objects in writing to such extension within five days after receipt of such notice, and the utilities cannot agree within ten days thereafter whether such extension is proper, the question of whether and by whom such extension shall be made shall be submitted to the Commission."

The United States Air Force (Air Force) now proposes to construct a radar receiving system known as the West Coast Over-the-Horizon Back Scatter Radar (OTHB) east of California State Highway 139 in Modoc County generally located in Section 5, Township 44 North, Range 7 East, in Section 22, Township 45 North, Range 7 East, and in Section 28, Township 45 North, Range 7 East, Mt. Diablo Meridian. Neither Pacific nor Surprise Valley provides electric service in any of those three sections. (See map, Appendix A.)

On February 26, 1984 Pacific received from Surprise Valley a letter dated February 2, 1984 notifying Pacific that Surprise Valley intended to provide electric service in 56 listed sections of

land³ in western Modoc County (including the three wherein the Air Force intended to locate OTH-B). At that time Pacific's Line No. 5, an existing 69 kilovolt (kV) transmission line running between the Oregon-California border and Alturas, crossed a portion of the area Surprise Valley was seeking.⁴ Pacific also had distribution lines and provided service to customers in 7 of the 56 sections sought by Surprise Valley.

On February 9, 1984 Pacific wrote Surprise Valley of its objections and asked that the proposed customers be identified, and for disclosure of the location, extent, and routing of the proposed distribution line. February 15, 1984 Surprise Valley responded, identifying the customer as the "Federal Government," and supplying a "one-line diagram" on a map showing that service would be effected by construction of a distribution line originating at a new substation it proposed to construct near Highway 139 to tap a new 230 kV transmission line from the north that BPA plans to erect and operate.⁵ In that reply Surprise Valley stated it had "no plans of serving any loads other than the Federal Government."

March 21, 1984 Pacific filed an application (which the Commission docketed as this complaint) asking that authorization be denied to Surprise Valley to serve the 56 sections and that instead, Pacific be authorized to serve that area, pointing out that it already owns and operates, apart from the 69 kV transmission line

³ A section of land is one square mile.

⁴ This 69 kV line (Line 5) is one of the two Pacific transmission lines which Surprise Valley depends upon to wheel its Bonneville Power Administration (BPA) derived federal power south to tap in to its service territory. The other Pacific transmission line it depends upon is Pacific's 115 kV line which runs south from Lakeview in Oregon to eastern Modoc County in California.

⁵ The 230 kV BPA transmission line was designed to strengthen the network in Modoc County.

running parallel to Highway 139, a distribution substation and distribution lines in the vicinity; that it has the present capacity, and is desirous of serving any electric load in any of the sections listed, whereas Surprise Valley's nearest existing transmission and distribution facilities were 22 miles away to the east. Surprise Valley's April 24, 1984 answer requested that it be authorized to serve the proposed OTE-B site, stating that the Air Force had indicated it wanted the cheapest and most reliable power, and that its rates were substantially less expensive than Pacific's and that BPA's new 230 kV line would be a more reliable source of power than Pacific's existing 69 kV line.

In March an Air Force representative contacted the Commission's Energy Service and Safety Branch and provided specific locations for the radar antennas with their supporting buildings for office, control, and maintenance facilities. This was followed up at the end of May with a written request for expedited handling so that the Air Force can begin construction in October 1984 as scheduled. The Air Force's program director for this project also wrote to state that the Air Force's preference of servicing utility would be Surprise Valley, based upon the considerably lower utility rates quoted and potentially higher reliability.

In mid-May staff made a field investigation and subsequently prepared a report. Staff compared annual energy costs based on an estimated 90% load factor on a 1,500 kW load, and concluded that Pacific's annual energy charges would be \$519,800 compared to Surprise Valley's \$334,126, a \$185,674 difference. Pacific would ask no financial contribution from the Air Force for construction costs, whereas Surprise Valley would require the Air Force to pay the \$350,000 cost of a 230/12 kV transformer substation. Each utility proposed to bear the cost of its distribution line to the site, including the substantial undergrounded segment that would be required. Based on existing data

applicable to Pacific's 69 kV line compared to projections applied to BPA's new 230 kV line, staff initially concluded that the reliability with the new 230 kV line would be slightly better (99.99% v 99.95% reliability factors).⁶ Noting that Pacific already had transmission and distribution facilities and a substation in the area west and south of the radar site, staff concluded that addition by Surprise Valley of distribution facilities and another substation for the sole use of the Air Force would be of questionable value to the region, and that Pacific already had adequate capacity to serve the added load. Staff further concluded that upgrading of Pacific's Perez substation and its line regulators south of Perez substation, and addition of remote controlled switching, which would be accomplished were Pacific to be authorized to serve, would also increase transmission reliability on Pacific's Line No. 5 so that existing customers throughout that corridor, including Surprise Valley, would benefit. Staff therefore recommended that Pacific be authorized to provide service.

A duly noticed public hearing was held in Redding, California, on June 13, 1984 before Administrative Law Judge (ALJ) John B. Weiss. At the hearing Pacific furnished evidence through Glen W. Spicer and Charles W. Satre, vice-president/regional manager, and area engineer, respectively. Surprise Valley furnished its evidence through Daniel W. Silveria, Nelson W. Mathews, and Charles J. Hayes, assistant manager, general manager, and distribution engineer, respectively, and also through William Adams, staff assistant utilities engineer called as an adverse witness under

⁶ Subsequently, staff modified that conclusion to equate the reliability more evenly, noting that the BPA's Malin-Warner 230 kV line will be approximately 70 miles long, about 1/4 of the length of the BPA Redmond-Pilot Butte 230 kV line used to project the reliability factor used for the Surprise Valley proposal, and thus susceptible to a greater number of faults than the model from which the projection was initially made.

provisions of Evidence Code Section 776. The staff, through Adams, entered its report.

Discussion

The broad factual context presented by this dispute, strictly speaking, involves the question of protection of the integrity of a utility's service territory only as one issue, since in Modoc County these two utilities do not have defined service territories in the conventional sense.

In 1952, both Pacific's predecessor in interest and Surprise Valley were before the Commission in a certification proceeding. Recognizing the difficulty and prematurity of attempting to draw conventional service territory boundary lines defining each's service territory, particularly in view of the fact that we were dealing both with somewhat urbanized areas (such as Alturas and Cedarville) where the facilities of the two utilities were somewhat intertwined, and with broad expanses of rural and entirely unsettled land where areas necessarily had to be identified by their section numbers, we attempted to strike a balance when we issued D.47987 in that proceeding.

Ordering Paragraph 3⁷ of D.47987 was intended to apply in areas where one utility had existing facilities not anywhere near those of the other. Extensions of service by facility extension to contiguous areas were contemplated to be made as provided in § 1001 of the PU Code, and under that utility's tariff.

⁷ D.47987, Ordering Paragraph 3:

"As to each utility, the certificates hereinabove granted may be exercised within such portions of Modoc County as are now served by it or may hereafter be served by it through extensions of its existing system made in the ordinary course of business as contemplated by Section 1001 of the Public Utilities Code."

Ordering Paragraph 5 applied to cases where the facilities of the two utilities were in close proximity.

In areas where extensions of distribution lines were not in immediate proximity to those of another, but necessarily must impact because of their general location, it was intended that Ordering Paragraphs 6 and 7 of D.47987 would apply. In those paragraphs we provided that with prior written notice which does not give rise to a timely objection, either utility can extend a distribution line more than one mile to provide a new service, even though such extension reaches within three miles of the other's distribution line. If objection is raised in timely fashion and cannot be quickly worked out between the two, the dispute is to come to the Commission.

This dispute is before this Commission because in accord with PU Code § 1001 Pacific attempted to file an application seeking authorization to provide electric service to a 56-square mile area and to serve any customers therein. Because of the unusual circumstances of the application, it was docketed and processed as a complaint. As developed, Pacific proposes to extend a distribution line from its Perez substation to serve the Air Force site located 4.2 miles northeast of its substation and 3.5 miles from Pacific's existing transmission and distribution facilities. It is clear that Surprise Valley has no facilities of any type anywhere near the proposed Air Force site or Pacific's existing facilities. The Pacific extension is exactly that, a distribution line extension. On their face, therefore, the Pacific pleadings come within the purview of Ordering Paragraph 3 of D.47987.

On the other hand, Surprise Valley has no application before the Commission. Reportedly, it did give notice (by copy of its February 26, 1984 letter to Pacific) of its intention to serve 56 square miles of western Modoc County, the same 56 square miles Pacific proposes to serve. Surprise Valley asserts it could have gone ahead and served the Air Force without necessity of giving Pacific notice since the Air Force site is more than three miles from

Pacific's existing facilities. Not only does this assertion stretch the intent of Ordering Paragraphs 6 and 7, but it ignores the clear fact that Surprise Valley's proposed construction in no way is an extension; rather, it proposes to construct an entirely new and separate service area 15 miles away from its nearest existing facilities near Canby Station. For its electrical source it would take advantage of the new BPA 230 kV transmission line which will roughly parallel Pacific's 69 kV transmission line near Highway 139. Such construction clearly would not be "an extension into territory...contiguous to its...system, and not theretofore served by public utility of like character, or for an extension within or to territory already served by it, necessary in the ordinary course of its business." (PU Code § 1001; emphasis added.) Rather, it would be a new construction creating a remote, non-contiguous, service island miles away from and unconnected in any way from its existing service areas. Accordingly, in that regard we would refer Surprise Valley to the opening sentence of PU Code § 1001: "No...electrical corporation...shall begin the construction of a...system, or of any extension thereof, without having first obtained from the Commission a certificate that the present or future public convenience and necessity require or will require such construction." Clearly the provisions of Ordering Paragraphs 6 and 7 of D.47987 do not apply to Surprise Valley's proposal.

However, rather than attempt further to fit the dispute into a procedural slot, we will structure our consideration to generally take into account seven factors which previously we have applied in situations where two utilities competed to serve a new area. These broad general factors are:

1. Financial condition and managerial ability.
2. Adequacy of and source of supply of electricity.
3. Adequacy and cost of the new system.

4. Utilization of new system in providing additional reliability and backup facilities for existing system.
5. Proximity of the new area to the existing operating territory of each utility.
6. Level of rates to be charged new customers.
7. The preference of the customer.

Applying these factors generally to the respective proposals we arrive at these determinations:

Financial Condition and Managerial Ability: Comparison of each utility's condition and managerial abilities tends to indicate that either utility would be able to satisfactorily serve the Air Force's needs. However, Pacific obviously would be the stronger. Serving 52,000 customers over 3,869 miles of distribution lines with 64 distribution substations in the Portland District alone provides it with a wealth of experience and backup to this small corridor facility which is proposed. For all the competence displayed in this proceeding, Surprise Valley is still a relatively small operation. With revenues from electric operations in 1983 of \$747.5 million, Pacific far outdistances the \$3.7 million revenues of Surprise Valley. Both have suffered loss of revenues, either from closing of timber processing industries or irrigation loads. Gaining the Air Force business would help both. Pacific received a rate increase effective May 23, 1983 (D.83-05-059) to help offset its losses. Surprise Valley depends upon irrigation loads for 50% of its total business. Since 1980 it experienced a 27% decline in kilowatt hours for irrigation purposes representing a 13.5% decrease in power sales. Managerial competence is difficult to evaluate from so brief exposure. However, our ALJ was impressed with the apparent competence of each's witnesses at the hearing. Each appeared competent in his area of responsibility. Of some significance, nonetheless, is the fact that as of March 14, 1984 Pacific had presented the Air Force with a detailed written proposal offering two options, each fully priced out to cover two possible load levels. On

the other hand, as of the date of hearing, Surprise Valley still had no written proposal but had only discussed options without formal stated prices.

Adequacy of and Source of Supply of Electricity:

Pacific presently has the reserve capacity in hand to feed the radar facility from its existing Perez substation and Line No. 5. Although constructed in segments: 9 miles in 1931, 42 miles in 1948, and 20 miles in 1956, poles have been replaced on a continuing basis. The line satisfactorily has been supplying customers along Highway 139 south from Oregon and also wheels electric power to supply Surprise Valley which taps in at Canby. The transmission reliability factor is 0.9996%. The line feeds from Oregon south, but can be fed from the south at Alturas. Pacific would draw from the 69/12 kV substation at Perez underbuilding a 12 kV line north for 1.7 miles, go east underground 4.5 miles and then north along an existing Air Force road to the radar site. Overall reliability, including the Air Force cable, would project to 0.9995%.

Surprise Valley would construct a new 230/12 kV substation at Clear Lake Road adjacent to BPA's new north-south 230 kV transmission line, which would place this new substation only about 5 miles north of the Pacific Perez substation. Its 12 kV line from its substation would follow Clear Lake Road part way and then follow an Air Force access road to the site, a distance of approximately 5 to 6 miles. The BPA 230 kV line, from Malin south to Warren substation at Alturas will consist of H-frame construction with steel cross arms. Its reliability factor should be somewhat less than the 0.9999% initially estimated, considering its greater susceptibility to lightning as a consequence of wider-higher profile for the H-frame construction and greater length. We agree with staff that the difference in reliability should not be material. In either case, however, the Air Force will have backup generators for use in case of outages. Both contenders have experienced maintenance personnel;

Pacific, being able to draw from Klamath Falls as well as Alturas, just has more personnel.

Adequacy and Cost of the New System: Here the Pacific proposal has a wide edge. With modest upgrading, adding 3.5 MVA of additional distribution transformer capacity, Pacific would use its existing 69/12 kV Perez substation, while Surprise Valley must construct a new 230/12 kV substation nearby at an additional cost to the Air Force of at least \$350,000. Pacific challenges this estimate as being too low. Staff also considers it somewhat low. While Surprise Valley has never constructed a 230/12 kV substation, they are confident their engineer extrapolations from lesser sized stations will stand up. This new Surprise Valley substation, however, will serve only one customer and duplicates existing capacity.

Utilization of New System in Providing Additional Reliability and Backup Facilities for Existing System: Between the two proposals there is substantial difference how each can utilize the new addition to back up each's existing system. Both could achieve operating efficiencies and possibly lower unit costs. The additional revenue to Surprise Valley would substantially replace their lost irrigation revenue. But the strongest consideration is the benefit that the relatively minor upgrading that would be involved at Pacific's Perez substation would bring to the Line 5 corridor. This line presently serves customers from Oregon to Canby and Alturas, and is also the line wheeling power to Surprise Valley at Canby. The transmission reliability would be increased and would benefit all. On the other hand, the Surprise Valley proposal is, as staff puts it, "of questionable value to the region," and does not benefit, except indirectly and that very limitedly, the existing systems of either. It would serve, however, in the future, as a bone of contention, in that it would be a waste of resources for the new extra capacity to sit there, serving only one customer when the existing capacity is ample to serve the Air Force.

Proximity of the New Area to the Existing Operating Territory of Each Utility: As noted earlier, and as a glance at the Appendix A map will reveal, the Air Force installation is in Pacific's backyard and very distant from Surprise Valley's traditional region of service. Apart from some additional revenue gain it would appear that the only reason for Surprise Valley's proposal is to project the co-op across the western half of Modoc County into a region which custom, logic, and economics dictate as being more properly within Pacific's sphere of influence.⁸ We are asked to believe that this is for the purpose of serving one very very remote new customer. Surprise Valley has no existing customers or facilities west of Canby Station all the way to the Oregon border. Pacific has both and also has long served this region along the Highway 139 corridor. It also has available the capacity to serve additional customers, including the Air Force. It also has a distribution substation in the area. Only the fortuitous location of the new BPA 230 kV transmission line running nearby, and the Air Force's apparent willingness to pay for a new 230/12 kV substation make this proposed 15-mile leap westward even economically feasible. The Commission looks with disfavor on duplication of existing facilities (Crystal Spring Water Co.(1963) 61 CPUC 329). Apart from wasting economic resources they too frequently merely set the stage for future disputes between the utilities involved as to who will serve who later.

⁸ To some degree it is also significant that Surprise Valley in previous days never intended to serve anywhere near the area where the Air Force radar installation is now planned, having in 1970, after a series of discussions relating to service areas, filed with the Commission Advice Letter No. 11 consisting primarily of detailed maps purporting to depict what it then considered definitive of its and Pacific's service areas in the northeastern area of California. The advice letter was rejected by the Commission. But the significance today is that Surprise Valley has apparently since developed its system consistently with the territory specified as its service territory in those maps, admitted by the ALJ as a Bench Exhibit and entered as Exhibit 7 in this proceeding.

Level of Rates to be Charged New Customers: Comparison of charges which each utility would apply reveals that at the energy consumption levels anticipated for this Air Force installation, Surprise Valley's charges for one year's service would be \$334,128.80 compared to Pacific's \$549,801.58. Over a ten-year period this difference would result in the Air Force paying \$1.5 million less. Surprise Valley is able to do this because of its status as a co-op with tax advantages and access to Bonneville federal power at lower costs than must be paid for the same power by tax paying investor owned utilities. The tax ramifications are complex, but while the region about Highway 139 would derive no benefit and would lose the enhanced reliability of the existing 69 kV line that would result from designation of Pacific as the supplier, and the various local taxing entities, county and federal would lose tax revenues derived from private investor operation, and Bonneville would lose the higher charges it makes to the private sector for federal power, the taxpayers of the entire country would benefit from co-op furnished power.

The Preference of the Customer: The Air Force in writing has advised the ALJ that based upon "considerably lower utility rates quoted and potentially higher reliability" it would prefer Surprise Valley as the supplier. While the preference expressed by the customer cannot control the Commission's action, in our opinion it still remains a factor to be considered.

In conclusion, we find that while both utilities are financially able and have the managerial ability to make the respective installations, and operate and maintain them to provide satisfactory service to the Air Force, Pacific is very substantially the stronger, better experienced, and more professional in its approach to the opportunity. Pacific already has ample reserve capacity to provide the service needed while Surprise Valley must construct a new distant located substation. Pacific's proposal would

cost less and would not be duplicative. Pacific's installation would be an extension of its existing distribution facilities providing substantial benefits to the entire region along the Highway 139 corridor as well as to Surprise Valley, whereas Surprise Valley's installation would be new, additional, and unneeded with no benefit other than increased revenues to that utility, and at a unnecessary cost to the taxpayers of at least \$350,000. To permit Surprise Valley to make the substantial jump from its present service region to set up a competitive duplicative facility in Pacific's service region could only serve to incubate future service conflicts of benefit to no one. While Surprise Valley's rates would be lower with substantial savings indicated for the Air Force, there are offsetting tax and other considerations that blur the benefits with somewhat offsetting losses elsewhere as far as the general public is concerned. Primarily based on lower rates the Air Force prefers service from Surprise Valley. While the preference of a customer cannot control the Commission's actions, it still is a consideration.

After consideration of all the relevant factors involved we conclude that Pacific should be authorized to provide service in the 56 square miles at issue and to the Air Force radar installation. As discussed in the paragraphs above devoted to analysis of the respective factors the only factors clearly favoring Surprise Valley are those of the cheaper rates and customer preference. Our foremost concern must be what would be in the best interests of the region, and it is clear that the region would best be served by Pacific's proposal, not only at this point in time but also in the future. We are not generally disposed to favor establishment of islands of service which would duplicate adjacent existing facilities, especially where there exists an adequate reserve of service capability, and to allow such an establishment merely creates future problems.

One matter remains. As a condition of our approval of its application, Pacific will be required to upgrade the Line 5 line regulator south of its Perez substation to make it possible to feed the whole line from the south.

Findings of Fact

1. Both Pacific and Surprise Valley are electric public utilities within the jurisdiction of this Commission and operate pursuant to certificates granted by D.47987 dated December 2, 1952, in A.33596 and A.33522 respectively.
2. The Air Force now proposes to place a radar installation in western Modoc County, approximately five miles northeast of the Perez substation on Highway 139.
3. Both Pacific and Surprise Valley desire to provide the electric service to the Air Force installation.
4. Both Pacific and Surprise Valley are capable of constructing and maintaining the respective facilities each would require to provide the electric service.
5. Pacific presently has available reserve electric capacity from its existing Line 5, a 69 kV transmission line, and its 69/12 kV substation at Perez on Highway 139, and proposes by this application (complaint) to extend service to the radar site.
6. Minor upgrading which would accompany Pacific's service to the Air Force would provide substantial benefits to the rest of the region up and down Pacific's Line No. 5 along Highway 139.
7. Surprise Valley's nearest existing facilities are located at least 15 miles to the southeast at Canby Station; nonetheless, it proposes to create a Surprise Valley service island to serve the Air Force radar site alone, by constructing a 230/12 kV substation near Clear Lake Road junction with Highway 139 to tap BPA's 230 kV transmission line, and extend a distribution line from such substation to the radar site.

8. Under Surprise Valley's proposal the Air Force would be required to pay the approximate \$350,000 construction cost of the proposed Surprise Valley 230/12 kV substation.

9. Because of its co-op status and preferential access to federal power, Surprise Valley can offer electric service at an annual cost to the Air Force for the estimated load for \$185,674 less than Pacific's charges would be.

10. Because of the considerably lower utility rates quoted and potentially higher reliability, the Air Force prefers service from Surprise Valley.

11. Surprise Valley's proposed installation to serve the Air Force would not be an extension to contiguous territory as would be Pacific's installation.

12. Installation of a new Surprise Valley service island in Pacific's backyard would tend to encourage and create future problems relating to the two utilities' respective service territories.

13. The Air Force urgently requires resolution of these matters to proceed with construction planned for October 1984.

Conclusions of Law

1. The public convenience and necessity require that the application of Pacific to provide electric service to the 56-section area described in its Application/Complaint No. 84-03-08 should be granted together with authorization to provide electric service to the Air Force's radar installation proposed to be sited therein, and that Surprise Valley's request to be permitted to provide such service should be denied.

2. The effective date of this order should be the date hereof in order to cause the Air Force no further delay in arranging for service and construction of the Pacific extension to serve the radar installation.

O R D E R

IT IS ORDERED that:

1. Pacific Power & Light Company (Pacific) is granted a certificate of public convenience and necessity to construct and extend from its Perez substation on its 69 kV transmission Line No. 5, a 12 kV distribution line to provide electric service to a 56-section area more particularly described as:

Sections 13, 14, 22, 23, 24, 25, 26, 27, 28,
33, 34, 35, and 36. Township 45 North. Range
6 East. Mt. Diablo Base and Meridian.

Sections 14, 15, 16, 17, 18, 19, 20, 21, 22,
23, 26, 27, 28, 29, 30, 31, 32, 33, 34, and
35. Township 45 North. Range 7 East. Mt.
Diablo Base and Meridian.

Sections 1, 2, 3, 10, 11, 12, 13, and 14.
Township 44 North. Range 6 East. Mt. Diablo
Base and Meridian.

Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14,
15, 16, 17, and 18. Township 44 North. Range
7 East. Mt. Diablo Base and Meridian,

and also to provide service to the United States Air Force's (Air Force) proposed Over-the-Horizon Back Scatter Radar installation to be constructed and operated on a multi-section site or sites within that 56-section area.

2. As a condition of this grant of certification, Pacific must within 30 calendar days from the effective date of this order advise the Executive Director of this Commission in writing of its agreement to upgrade, within six months of the effective date of this order, its Line 5 line regulator south of its Perez substation to make it possible to feed the entire No. 5 line from the south.

3. Pacific is authorized to file, within 30 days after the effective date of this order and in conformity with General Order No. 96-A, such of its tariff schedules, including a tariff service area map identifying this multi-sectional area, as are necessary to provide for the application of its tariff schedules to the area

certificated herein. Such tariff sheets shall become effective on the fifth day after filing.

4. Pacific shall notify this Commission, in writing, of the date service is first rendered to the public, including the Air Force, under the rates and rules authorized herein, within ten days thereafter.

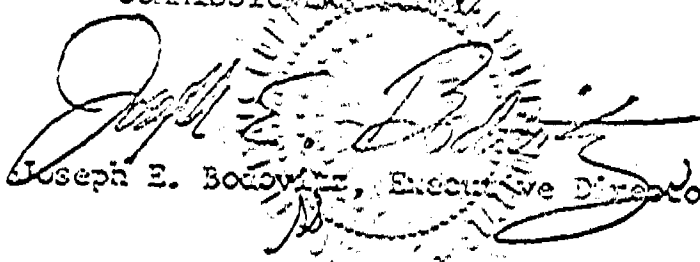
This order is effective today.

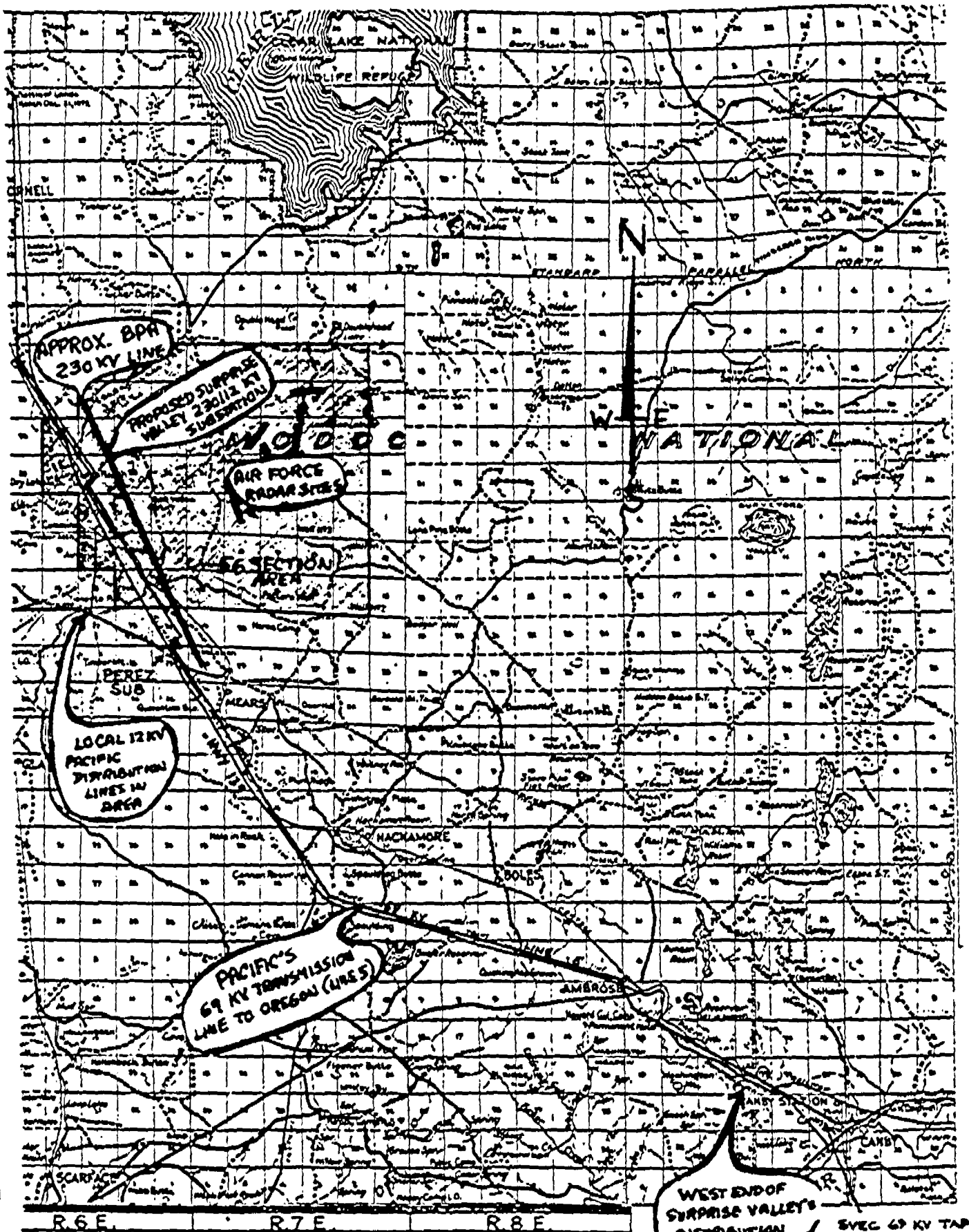
Dated AUG 7 1984, at San Francisco, California.

Commissioner Priscilla C. Grow,
being necessarily absent, did
not participate

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director



APPENDIX A

C.84-03-008