

ORIGINAL

Decision 83 05 015 MAY 4 1983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's)
own motion into the rates,)
practices, financial condition,)
construction expenditures, and)
facilities of the San Diego Gas &)
Electric Company.)

OII 4
(Filed November 8, 1977)

ORDER DISCONTINUING PROCEEDING

This proceeding is an investigation into the electric financial and resource planning of San Diego Gas & Electric Company (SDG&E).

Interim Decision (D.) 88758 issued May 2, 1978 in this proceeding ordered, inter alia:

"1. San Diego Gas and Electric Company shall continue to use its best efforts to negotiate a contract for the purchase of Mexican power subject to the following conditions:

"a) in order to achieve an acceptable capacity factor, the contract should contain:

"i) provisions for an acceptable maintenance schedule and for auditing the maintenance to establish conformance with the schedule;

"ii) provisions for design and operation of the facility in order to achieve accepted reliability.

- "b) that the cost of Mexican power should be just and reasonable. In this respect SDG&E would have to receive ultimate approval from this Commission for the contract.
- "c) that every reasonable effort be made to have at least one Mexican unit on-line by the end of 1982.
- "2. SDG&E shall keep the Commission staff regularly informed of the progress of its negotiations.
- "3. SDG&E shall commence discussions with the members of the California Power Pool to determine the acceptability of capacity purchased from Mexico as 'firm' power.
- "4. SDG&E shall continue to investigate the need for additional permits required for implementation of the Mexican project.
- "5. SDG&E shall continue to analyze and pursue the concept of building a transmission line system to the Arizona border and apply to the appropriate agencies for permits.
- "6. SDG&E shall continue to aggressively pursue its geothermal development plans. In accordance with this, SDG&E shall file semi-annual reports with this Commission commencing June 30, 1978 as to its geothermal development efforts."

Second Interim D.91743 issued May 6, 1980, rescinded the directives contained in Ordering Paragraph 1(a) of D.88758. and authorized SDG&E to negotiate a final contract with Comision Federal de Electricidad (CFE) for the purchase and sale of electric capacity and energy. SDG&E informed the Commission in November 1980 that it had completed its negotiations with the CFE. Order Instituting Investigation (OII) 4 was continued for further hearing.

The purposes for which OII 4 was issued have been met, the evidence adduced is stale, and we have evaluated SDG&E's financial and resource planning in other, more current, proceedings. Therefore, we conclude that the proceeding in OII 4 should be

discontinued. However, the reports concerning SDG&E's geothermal development plans, filed under Ordering Paragraph 6 of D.88758, are relevant and should continue to be filed as part of the annual filings made under Section IV of General Order 131-B (Rules Relating to the Planning and Construction of Electric Generation and Transmission Facilities Located in California).

IT IS ORDERED that:

1. San Diego Gas & Electric Company (SDG&E) shall continue to aggressively pursue its geothermal development plans. SDG&E shall file annually with the Commission a report of its geothermal development efforts as part of its filing made under Section IV of General Order 131-B.

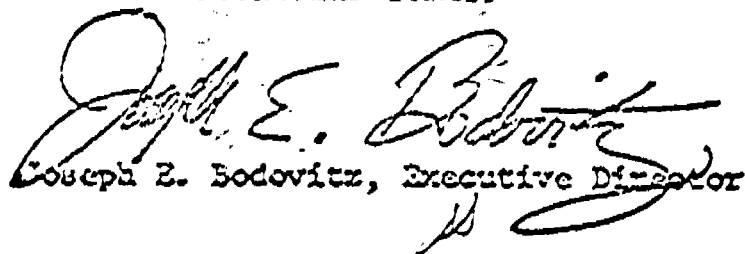
2. The investigation in OII 4 is discontinued and that proceeding is closed.

This order becomes effective 30 days from today.

Dated MAY 4 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
FRISCILLA C. GREW
DONALD VIAL
Commissioners

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


Joseph Z. Bodovitz, Executive Director



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Km
De la Trinidad