

Decision 83 07 018 JUL 20 1983

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the application of
PACIFIC GAS AND ELECTRIC COMPANY for
a certificate of public convenience
and necessity to construct, install,
operate, maintain, and use Unit 20 at
The Geysers Power Plant, together with
transmission lines and related
facilities.

(Electric)

Application 82-05-50
(Filed May 21, 1982)

ORDER OF DENIAL

By Decision (D.) 83-04-096 dated April 27, 1983 Pacific Gas and Electric Company (PG&E) was granted a certificate of public convenience and necessity for the construction, operation, and maintenance of Unit 20 at the Geysers Power Plant together with transmission lines and related facilities. In that decision we stated:

"We expect to limit the rate base treatment for this project to the estimated costs provided in this proceeding since these are the figures used to justify the project, absent a strong showing by PG&E that higher costs were reasonable."

The estimated cost of the generating unit and step-up transformers at the time of PG&E's application was \$105,000,000 with the transmission tap line estimated at \$636,000. Updated cost estimates for the generating unit and step-up transformers in current dollars were \$148,876,000. This updated estimate included a contingency of 15% or \$20,000,000 for unforeseeable costs attributed to such things as weather-related delay and potential increases in the scope of necessary construction activities not identified until the engineering phase.

On May 25, 1983, PG&E filed a petition for modification of D.83-04-096 to confirm the Commission's intention to limit the rate base treatment for the Geysers' 20 project to the revised estimated cost of \$148,876,000. ✓

PG&E asserts that the language of D.83-04-096 is potentially ambiguous and, in isolation, may be construed to limit the rate base treatment to the original \$105,000,000 estimate.

We disagree. D.83-04-096 clearly provides that the "total estimated cost for the generating unit and step-up transformers in current dollars" is \$148,876,000 and not the cost estimate contained in the application. The petition should be denied.

IT IS ORDERED that the petition for modification of D.83-04-096 is denied.

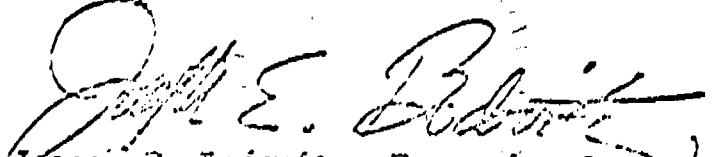
This order becomes effective 30 days from today.

Dated July 20, 1983, at San Francisco, California.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
WILLIAM T. BAGLEY
Commissioners

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


Joseph E. Bodovick, Executive Director

On May 25, 1983, PG&E filed a petition for modification of D.83-04-096 to confirm the Commission's intention to limit the rate base treatment for the Geysers' 20 project to the revised estimated cost of \$148,867,000.

PG&E asserts that the language of D.83-04-096 is potentially ambiguous and, in isolation, may be construed to limit the rate base treatment to the original \$105,000,000 estimate.

We disagree. D.83-04-096 clearly provides that the "total estimated cost for the generating unit and step-up transformers in current dollars" is \$148,876,000 and not the cost estimate contained in the application. The petition should be denied.

IT IS ORDERED that the petition for modification of D.83-04-096 is denied.

This order becomes effective 30 days from today.

Dated JUL 20 1983, at San Francisco, California.

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