

Decision 83 11 065 NOV 22 1983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application Of Pacific Gas And	)	
Electric Company To Incur	)	
Evidence Of Indebtedness In	)	Application 82-10-55
Connection With Certain Facili-	)	(Filed October 25, 1982)
ties Reinforcements.	)	

ORDER AMENDING DECISION

By Decision (D.) 82-12-008 dated December 1, 1982 in Application 82-10-55 the Commission authorized Pacific Gas and Electric Company (PG&E) to enter into a Comprehensive Agreement (Agreement) with the State of California, Department of Water Resources (DWR), and under the terms and conditions of the Agreement, create an evidence of indebtedness in the aggregate principal amount not to exceed \$73,500,000. From the funds received by the issuance of the indebtedness to DWR, the Commission authorized PG&E to use and pay for replacement of, and modification to, certain series capacitors and shunt capacitors necessary in order for PG&E to provide DWR with firm transmission service (electric power) from two large hydroelectric facilities located near Oroville, California. Although DWR obtains no ownership interest in the modified facilities, PG&E is obligated to repay to DWR over an approximate twenty year period the funds provided by it for the modification, together with interest at 7.4% per annum.

In authorizing PG&E to obtain the funds from DWR to make the modifications necessary for electric power and to incur the indebtedness for such funds, the Commission exempted PG&E from the Commission's competitive bidding rule set forth in Decision 38614, dated January 15, 1946, in Case 4761, as amended; but, required PG&E to file reports required by General Order (G.O.) Series 24.

The Commission has been informed by letter dated August 15, 1983 from PG&E's attorney of the amounts received to that date under the Agreement, and the utility submitted a schedule of the amounts which will be provided by DWR through June 1984, when construction of the reinforcements will be completed. The timing of the amounts to be supplied by DWR is scheduled to coincide with the expenditures necessary to complete the work. To the extent that those expenditures exceed or fall short of the amounts provided by DWR under the payment schedule, the final payment of funds will be adjusted accordingly by PG&E.

By means of the same letter and through its attorney, PG&E has requested that in view of the set schedule for payment of funds by DWR and the unusual nature of this transaction, that PG&E be excused from complying with G.O. Series 24 on a monthly basis.

Instead, PG&E proposes that it merely file the report required by G.O. Series 24 on an annual basis covering the previous year on the 25th day of January of each year following that in which DWR has provided funds under the Agreement. Also, PG&E requests that it be exempted from establishing a separate bank account for receipts and disbursements of money obtained from DWR under the agreement. Rather, PG&E requests that it be allowed to receive the payments directly through its general concentration banking accounts.

The Commission's Revenue Requirements Division has reviewed PG&E's request to amend D.82-12-008 pertaining to the modification of the application of G.O. Series 24. The Division believes that in view of the unusual circumstances of the PG&E indebtedness created under the Agreement, no useful purpose is served by requiring PG&E to file reports under G.O. Series 24 on a monthly basis or that the money received by PG&E from DWR be placed in a special bank account. The Division recommends that PG&E's request be granted. At the same time, the Division believes that it would be useful for the Commission to be periodically advised as to the status of the indebtedness to DWR. Therefore, the Division also recommends that PG&E be required to file with the Commission a report by the 25th day of January of each year following a

year in which PG&E obtained funds from DWR under the Agreement. Finally, the Division recommends that PG&E be required to file with the Commission a further report on the 25th day of the month following the last month in which any funds were obtained from DWR, setting forth the aggregate indebtedness as of the date of completion of the plant improvements.

Findings of Fact

1. The Commission finds that PG&E's request for amendment of D.82-12-008 is without controversy.

2. There is no known opposition and no reason to delay granting the authority and changes requested.

Conclusion of Law

PG&E's request should be granted as set forth in the order which follows.

O R D E R

IT IS ORDERED that:

1. Decision (D.) 82-12-008 dated December 1, 1982 in Pacific Gas and Electric Company's (PG&E) Application (A.) 82-10-55 shall be amended as follows:

- a. PG&E shall be exempt from filing the reports required by General Order (G.O.) Series 24.

- b. PG&E shall be exempt from the G.O. Series 24 requirement that a separate bank account shall be opened to which shall be charged or credited all receipts and disbursements of money derived from the State of California, Department of Water Resources (DWR), under the terms and conditions of the Comprehensive Agreement (Agreement) executed between PG&E and DWR.
- c. PG&E shall file with the Commission a report by the 25th day of January of each year following a year in which PG&E obtained funds from DWR under the Agreement.
- d. PG&E shall file with the Commission an additional report on the 25th day of the month following the last month in which any funds were obtained from DWR, setting forth the aggregate indebtedness as of the date of completion of the plant improvements.

2. In all other respects, D.82-12-008 dated December 1, 1982 in A.82-10-55 remains in full force and effect.

This order is effective today.

Dated NOV 22 1983, at San Francisco, California.

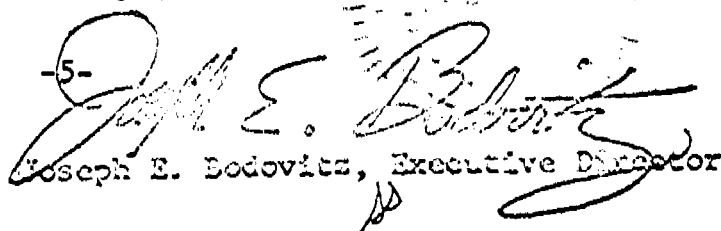
LEONARD M. GRIMES, JR.  
President

VICTOR CALVO  
PRISCILLA C. GREW  
WILLIAM T. BAGLEY  
Commissioners

Commissioner Donald Vial, being necessarily absent, did not participate.

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

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Joseph E. Bodovitz, Executive Director

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