

Copy for:

RESOLUTION NO. E-1937

Orig. and Copy
to Executive DirectorUTILITIES DIVISION
BRANCH/SECTION: Electric
DATE: September 1, 1981

R E S O L U T I O N

Director

Numerical File

Alphabetical File

Accounting Officer

RETURN TO ELECTRIC BRANCH
TARIFF UNIT**SUBJECT:** Order Authorizing Agreement Between PG&E and Shell Oil Company (Applicant) Covering Installation of Special Facilities

PACIFIC GAS AND ELECTRIC COMPANY (PG&E), by Advice Letter No. 875-E filed August 4, 1981, requests authority pursuant to Section X.A. of General Order No. 96-A to carry out the terms and conditions of a special agreement dated June 19, 1981 with Applicant covering installation of special facilities at Applicant's Martinez manufacturing complex. This agreement does not supersede the existing agreement with Applicant dated May 19, 1976, the terms of which shall remain in force and reaffirmed, except as provided in the new agreement.

Applicant proposes to expand and modernize its refinery operations by the addition of new facilities that will require additional electric service which will increase the maximum demand of the refinery by approximately 37,000 kW by about June 1982. Because the plan of operation at their refinery would benefit by the installation of service facilities other than facilities which PG&E would normally install to provide such service, Applicant has requested two 45 mva 115/12 kV transformers and necessary 12 kV bus and switch-gear at the New Substation No. 2, extension of approximately 150 feet of 115 kV double circuit line from PG&E's existing transmission facilities to Substation No. 2, and installation of an additional 115 kV oil circuit breaker. The installed cost of the special facilities is estimated to exceed cost of normal facilities by \$1,679,600.

The provisions of the special agreement are in accordance with the provisions of Rule No. 2.1. and Form No. 79-255, Agreement for Installation or Allocation of Special Facilities. However, because of the complexity of the arrangements the sample form contract on file with the Commission could not be used. Under these provisions Applicant shall also pay to PG&E, in addition to the monthly rates and charges for service, a monthly charge of \$29,393 or 1.75 percent of the estimated costs for the special facilities, covering the capital costs and costs of ownership.

Electric service is supplied to Applicant's equipment under Schedule No. A-23, which requires a contract for an initial term of three years with a one year's written notice required for cancellation. This agreement covering special facilities under Rule No. 2.1, requires two years' notice prior to requesting removal of the special facilities. The agreement, therefore, is in deviation from Special Condition 8 of Schedule No. A-23.

It is found that the provisions of this agreement are in accordance with PG&E's established policy, are not discriminatory, do not result in an unreasonable burden on other ratepayers and are hereby found to be just and reasonable; therefore, good cause appearing:

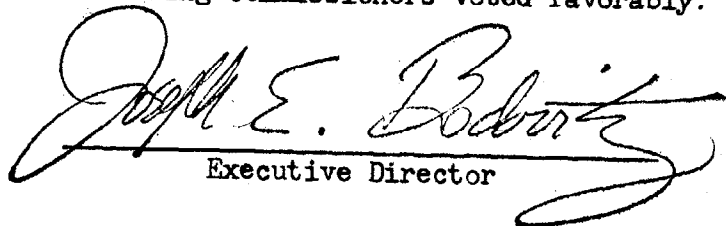
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IT IS ORDERED that authority is granted to PG&E under Section 532 of the Public Utilities Code to carry out the terms and conditions of said special agreement effective September 1, 1981. The effective date of this Resolution is the date hereof.

I certify that this Resolution was introduced, approved and adopted at a regular conference of the Public Utilities Commission of the State of California on September 1, 1981. The following Commissioners voted favorably:

JOHN E. BRYSON
President
RICHARD D. GRAVELLE
LEONARD M. GRIMES, JR.
VICTOR CALVO
PRISCILLA C. GREW
Commissioners


Executive Director