

CITY COUNCIL MEETING

February 17, 1982

Council was apprised that:

The allocation of 12MW of power to the City of Lodi has received final approval and has been published in the Federal Register. On February 10, 1982, Mr. Curry and City Manager Graves met with the WAPA staff to review a draft of the contract which we anticipate will be in final form by the March 17 meeting of the City Council. WAPA staff does not expect any substantive changes in the preliminary draft, but until it is final, there is always some possibility. The final draft will contain information specific to the City of Lodi such as delivery voltage and points of delivery.

The time table is extremely compressed now. WAPA needs the executed contracts returned to them by February 26, 1982. It is their intention to start delivery on March 1, 1982. In addition to the WAPA contract, it will be necessary to adjust our

Therefore, WAPA is meeting with PG&E to iron out any questions regarding their contracts and the City of Lodi's responsibility is merely to arrange the modification to our PG&E contract, similar to the action to provide for delivery of the Northwest Power. A summary of the WAPA contract prepared by Mr. Curry and Mr. Stein was presented for Council's Perusal.

CONTRACT FOR WAPA
ALLOCATIONS
APPROVED

RES. NO. 82-17

Following Council discussion, on motion of Councilman Katnich, Hughes second, Council adopted Resolution No. 82-17 approving the Contract with the Western Area Power Administration CVP for electric service to the City of Lodi and authorizing the Mayor and City Clerk to execute the Agreement on behalf of the City.

CENTRAL VALLEY PROJECT (CVP) POWER ALLOCATION

The official announcement of Lodi's 12 megawatt (12,000 kilowatt) allocation of CVP power was published in the January 28, 1982 issue of the Federal Register. Unofficially, this power is expected to be available starting next month.

2/3/82

RESOLUTION NO. 82-17

BE IT RESOLVED by the City Council of the City of
Lodi, California

that the Mayor and City Clerk be and they are hereby authorized
to execute for and on behalf of the City of Lodi, California,
the attached Contract for Electric Service with the UNITED
STATES OF AMERICA, which Contract was duly presented to the
City Council, and which Contract is hereby approved.

State of California)

) ss

County of San Joaquin)

I, Alice M. Reimche, the duly appointed and qualified
Clerk of the City of Lodi, California, do hereby certify
that the foregoing is a true, accurate and complete copy
of a resolution duly passed and adopted at a regular
meeting of the City Council of the City of Lodi,
California, held on February 17, 1982.

Date: February 17, 1982 by



Alice M. Reimche
City Clerk

COUNCIL COMMUNICATION

TO: THE CITY COUNCIL

DATE

NO.

FROM: THE CITY MANAGER'S OFFICE

February 17, 1982

SUBJECT:

POWER ALLOCATION FROM WESTERN AREA POWER ADMINISTRATION

The allocation of 12 MW of power to the City of Lodi has received final approval and has been published in the Federal Register. On February 10, 1982, Mr. Curry and I met with the WAPA staff to review a draft of the contract which we anticipate will be in final form by the March 17 meeting of the City Council. WAPA staff does not expect any substantive changes in the preliminary draft, but until it is final, there is always some possibility. The final draft will contain information specific to the City of Lodi such as delivery voltage and points of delivery.

The time table is extremely compressed now. WAPA needs the executed contracts returned to them by February 26, 1982. It is their intention to start delivery on March 1, 1982. In addition to the WAPA contract, it will be necessary to adjust our PG&E contract to recognize the delivery and billing of WAPA power. The attorney representing the five new city customers (Ukiah, Healdsburg, Lompoc, Alameda and Lodi) has prepared a draft and submitted it to PG&E for execution on behalf of all of the cities under one cover letter. We hope this can be accomplished without unnecessary delay.

PG&E and the Federal Government have a contract in place (commonly known as 2948A) which provides for delivery of the WAPA power to preference customers. At present, the "wheeling charges" are covered in the contract and paid by WAPA and passed through to the City customers within the WAPA rates. As part of the settlement of the Santa Clara case, PG&E recognized and agreed to support the allocation of the 102 MW by WAPA. Therefore, WAPA is meeting with PG&E to iron out any questions regarding their contracts and the City of Lodi's responsibility is merely to arrange the modification to our PG&E contract, similar to the action to provide for delivery of the Northwest Power.

A summary of the WAPA contract prepared by Mr. Curry and Mr. Stein is attached.

Unless we hear word to the contrary from the WAPA office before meeting time, I think the contract is ready for approval.

Henry A. Glaves
HENRY A. GLAVES
City Manager

HG:dg

WESTERN AREA POWER ADMINISTRATION CVP
CONTRACT FOR ELECTRIC SERVICE TO LODI

SUMMARY

Article 1

Specification of parties to this contract (United States of America and City of Lodi, California) as well as contract effective date.

Articles 2 - 8 (Recitals)

The U. S. Government, which operates the Central Valley Project (CVP), has made an allocation of power to the City of Lodi. The availability of this power results from the settlement of a lawsuit between it and the City of Santa Clara (February, 1980). This power is partly long-term firm and partly short-term firm (withdrawable by Westlands Water District), and Lodi would receive a proportionate share of each. The U.S. has a contract with Pacific Gas & Electric Company (P.G.&E.) covering P.G.&E. transmission of CVP power to customers such as Lodi.

Under Reclamation Law, 'preference' customers in Trinity, Calaveras and Tuolumne Counties, California have certain 'first rights' to a portion of this power/energy. Further, a portion may be necessary to meet certain CVP project requirements.

Article 9

Term of contract: March 1, 1982 (date of initial service) to June 30, 1994, unless otherwise terminated, per contract provisions.

Article 10

U.S. agrees to provide electric service to the City of Lodi at 60,000 volts, over P.G.&E. transmission facilities. Energy to be delivered to Lodi's Killelea Substation, up to the contract rate of 12,000 kilowatts, subject to withdrawal per contract provisions. Contract rate of delivery (CRD) may be reduced, pro rata among customers with similar such allocations, to supply Westlands Water District requirements, provided U.S. gives 90 days advance notice.

Under Reclamation Law, 'preference' customers in Trinity, Calaveras and Tuolumne Counties, California may also request CVP power. The City's CRD may be reduced to supply power/energy to these customers, provided U.S. gives 90 days advance notice. CRD's may be reduced (pro rata among all customers) to supply CVP project use requirements, provided U.S. gives 90 days notice. Within 30 days of receiving CRD reduction notice (due to any of the above), Lodi may terminate this contract.

Contract energy requirements in excess of those available from CVP power plants will be supplied by P.G.&E., under contract with U.S. All CRD's will be curtailed if insufficient power/energy is available to serve CVP customers. CRD's may be reduced if P.G.&E. contract is terminated, provided U.S. gives 90 days advance notice. City may then terminate this contract within 30 days.

Article 11

City may have additional sources of power and energy other than CVP. Methods for determining U.S. supplied portion are specified. Specifically, the fraction of total City energy to be supplied by U.S. (in any month) is $12,000 \div$ maximum monthly demand-kilowatts.

Article 12

Operation of the City's electric system to coordinate with, and not interfere with, the operation of utility system supplying Lodi with CVP power/energy (i.e. P.G.&E. system).

Article 13

The current rate for CVP contracted service, including transmission, is approximately \$0.01 per kilowatt-hour. Rate schedules may be modified from time to time. City agrees to pay current and future rates, except that it may terminate contract within 180 days if notified that transmission charges are to be increased.

Article 14

Scheduling (by City and U.S.) of delivery of CVP energy may be required.

Article 15

Other rules/regulations may be required from time to time. They will be implemented as required, when mutually agreed upon.

Article 16

City agrees that:

- a. Benefits of lower-cost CVP power will be made available at fair/ reasonable terms to all customers (lowest rates consistent with sound business principles).
- b. Proper utility accounting methods will be followed.
- c. Copies of retail rate schedules (present and future) will be furnished to the U.S. Contracting Officer.

- d. An annual statement that charges to customers are consistent with Article 16 a. (above) will be furnished to the U.S. Contracting Officer.
- e. It will publish annually a report of utility operating and financial data in a local general-circulation newspaper.

Article 17

City agrees to implement a locally appropriate conservation and renewable energy program in accordance with Federal guidelines. Program will be reviewed within 12 months and subject to review thereafter every 36 months. CRD could be reduced 10% in the unlikely event that the City's program is judged continually deficient by the U.S. Contracting Officer.

Article 18

Exhibits A-E, which specify further detail, are made a part of this contract.

Article 19

The General Power Contract Provisions, effective April 1, 1979, are made a part of this contract.

Contract No. _____

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
Central Valley Project, California

CONTRACT FOR ELECTRIC SERVICE

Westlands Withdrawable/Firm Allocation

Below 44kV

PRELIMINARY

Contract No. _____

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
Central Valley Project, California

CONTRACT FOR ELECTRIC SERVICE

Westlands Withdrawable/Firm Allocation

Above 44kV

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
CENTRAL VALLEY PROJECT, CALIFORNIA

CONTRACT FOR ELECTRIC SERVICE TO

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UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
CENTRAL VALLEY PROJECT, CALIFORNIA

CONTRACT FOR ELECTRIC SERVICE TO

1. This contract made this _____ day of _____, 19____, in pursuance of the Act of Congress approved June 17, 1902 (32 Stat. 388), the Act of Congress approved August 26, 1937 (50 Stat. 844, 850), the Act of Congress approved August 4, 1939 (53 Stat. 1187), the Act of Congress approved August 12, 1955 (69 Stat. 719), the Act of Congress approved October 23, 1962 (76 Stat. 1173, 1191), and the Act of Congress approved August 4, 1977 (91 Stat. 565), and acts amendatory thereof or supplementary thereto, between the UNITED STATES OF AMERICA, hereinafter called United States, represented by the officer executing this contract, a duly appointed successor or a duly authorized representative, hereinafter called the Contracting Officer, and the _____, hereinafter called the Contractor, its successors and assigns,

WITNESSETH:

2. WHEREAS, the United States operates an electric power system including generation and transmission facilities as a part of the Central Valley Project; and the Contractor operates an electric power distribution system hereinafter referred to as the Contractor's system; and

3. WHEREAS, in settlement of the lawsuit entitled The City of Santa Clara v. Duncan et. al. the United States has had Electric power made available to serve the Contractor according to the terms of the Memorandum of

Understanding dated February 8, 1980, between the parties to said lawsuit, hereinafter referred to as the Memorandum of Understanding; and

4. WHEREAS, the Contracting Officer has agreed to market on a long-term basis twenty-six (26) megawatts of firm power and energy which is now available as a result of the Memorandum of Understanding; and

5. WHEREAS, the Contracting Officer has agreed to market on a short-term basis firm power from the previously allocated but currently unused allocation of Westlands Water District, hereinafter called Westlands Withdrawable; and

6. WHEREAS, under Reclamation Law which authorized construction of the Trinity River Division, and the New Melones Project, first preference to the extent of 25 per centum of the additional energy available must be given, under certain conditions, to preference customers in Trinity County, Calaveras and Tuolumne Counties, California; and

7. WHEREAS, withdrawal of power may be necessary to meet project use requirements of the Central Valley Project including those of the Federal San Luis Unit; and

8. WHEREAS, the United States has entered into that certain Contract No. 14-06-200-2948A dated July 31, 1967, as amended, with the Pacific Gas and Electric Company (PG&E), hereinafter called the PG&E Contract, and said PG&E Contract provides for, among other things, a license to the United States to

furnish electric power and energy to the Contractor from the transmission system of PG&E;

NOW, THEREFORE, in consideration of the mutual covenants herein set forth, the parties hereto agree as follows:

TERM OF CONTRACT

9. (a) This contract shall become effective on the first day of the first full billing period following the date of its execution and, subject to prior termination as otherwise provided for herein, shall remain in effect until midnight of June 30, 1994;

(b.) The date of initial service hereunder is defined as the effective date of this contract.

ELECTRIC SERVICE TO BE FURNISHED

10. (a) The United States under the terms and conditions stipulated herein, will furnish, deliver and measure electric service to the Contractor, from and after the date of initial service as herein defined, at the point(s) and voltage(s) and under the delivery conditions specified in Exhibit A. Said electric service will be furnished over the United States' facilities or facilities of PG&E under the terms and conditions provided in the PG&E Contract (copies of which are on file in the Sacramento Area Office of the Western Area Power Administration in Sacramento, California), or under said contract as it may be amended or supplemented from time to time, or under the

terms and conditions of any contract that may supersede or succeed said contract.

(b) Firm electric energy, subject to determinations in Exhibit A, will be delivered in amounts which the Contractor may from time to time require up to a maximum rate of delivery, hereinafter called the contract rate of delivery for firm power, which shall be subject to withdrawal as provided herein, and shall be specified in Exhibit B.

(c) The United States may, at the sole discretion of the Contracting Officer, reduce the Contractor's contract rate of delivery for electric power hereunder by any amount necessary to supply the Westlands Water District use requirements. For this purpose, and to the extent possible, the Contractor's contract rate of delivery shall be reduced pro rata among all preference customers which have a portion of the forty-six (46) megawatts of Westlands Withdrawable Power and a portion of the twenty-six (26) megawatts of firm power allocations; Provided, That the Contractor's contract rate of delivery shall not be less than one-half ($\frac{1}{2}$) megawatt; and, Provided further, That the United States shall give written notice to the Contractor ninety (90) days in advance of the effective date of such reduction in the contract rate of delivery.

(d) In order to supply electric power and energy to preference customers in Trinity County, California, in accordance with the requirements of Reclamation Law, the Contracting Officer may, upon ninety (90) days advance written notice to the Contractor, withdraw electric power and energy from the Contractor.

(e) In order to supply electric power and energy to preference customers in Tuolumne and Calaveras Counties, California, in accordance with the requirements of Reclamation Law, the Contracting Officer, upon ninety (90) days advance written notice to the Contractor, may withdraw electric power and energy from the Contractor.

(f) The United States may, at the sole discretion of the Contracting Officer, reduce the Contractor's contract rate of delivery for electric power hereunder by any amount necessary to supply the project use requirements, including operation of the Federal San Luis Unit of the Central Valley Project. For this purpose, and to the extent possible, Contractor's contract rate of delivery shall be reduced pro rata among all preference customers of the Central Valley Project; Provided, That the United States shall have given written notice to the Contractor ninety (90) days in advance of the effective date of such reduction in the contract rate of delivery.

(g) Upon receipt of notice of reduction in the contract rate of delivery for firm power pursuant to subarticles (c), (d), (e) or (f) above, the Contractor may terminate this contract within thirty (30) days after receipt of such notice by notifying the Contracting Officer in writing prior to the desired termination date.

(h) At times the electric energy requirements under this and similar contracts of the United States with other preference customers for the supply of firm power will be in excess of the energy available for firm load from the Central Valley Project powerplants. Such excess will be supplied by

the United States through purchases and in accordance with the PG&E Contract or under terms and conditions of any contract that may supersede or succeed said contract, up to such amounts as are required to bring the total energy deliveries under said preference customer contracts in any month or year up to the respective maximum amounts of firming energy that the PG&E Contract is obligated to supply. Under said PG&E Contract, anything to the contrary in this contract notwithstanding, the United States shall not be obligated to furnish energy hereunder in amounts which, together with amounts to be furnished under said other preference customer contracts, are in excess of the limitations stipulated in said PG&E Contract or the terms and conditions of any contract that may supersede or succeed said contract. In the event, however, that the power and energy available to serve the total firm load of all preference agencies contracting for power and energy is not sufficient, Contractor's contract rate of delivery shall be curtailed so as not to exceed a pro rata share of the total power and energy that is available.

(i) Availability of electric power and energy to the United States in an amount adequate to meet the contract rates of delivery and electric energy requirements under this and other contracts with preference customers is dependent upon arrangements made in the PG&E Contract. The United States may reduce to any amount the contract rate of delivery for power hereunder effective on the termination or cancellation of said PG&E Contract; Provided, That the United States shall have given written notice to the contractor ninety (90) days in advance of the effective date of reduction in contract rate of delivery for power. The Contractor may terminate this contract at any time within thirty (30) days after receipt fo such notice, but not thereafter.

AUXILIARY POWER SERVICE

11. (a) Notwithstanding any provision of the exhibits attached hereto, power supplies in addition to the power supply hereunder may be used by the Contractor in conjunction with such electric service provided for herein as may be necessary to meet its requirements in excess of the power service made available pursuant to this contract; Provided, That such auxiliary power service shall be in accordance with the terms and procedures specified in this article and as may be specified in Exhibit A and Exhibit C.

(b) Prior to the utilization of any such auxiliary service or supply, the Contractor shall enter into an agreement with the United States defining the procedures by which the amount of power and energy supplied by the United States will be determined. The Contractor assumes all responsibility for obtaining such auxiliary power supply as the Contractor determines to be necessary to its operations.

CONSTRUCTION, OPERATION, AND MAINTENANCE OF CONTRACTOR'S POWER SYSTEM

12. The Contractor shall construct, operate, and maintain its power system in a manner which will not interfere with the operation of the system from which electric service is supplied to the Contractor hereunder, and which will coordinate with the protective relaying and other protective arrangements on said system. The United States may discontinue furnishing electric service to the Contractor if, after reasonable notice by the Contracting Officer of an

unsatisfactory condition on the Contractor's power system which interferes or may interfere with any service supplied from the power system of the United States, or from the power system of its transmission agent, the Contractor fails or refuses to make such changes as may be necessary to eliminate such unsatisfactory conditions. Such a discontinuance of electric service will not relieve the Contractor of liability for the minimum charge provided for herein during the time said electric service is discontinued. Nothing in this article contained shall be construed to render the United States liable for any claims, demands, costs, losses, causes of action, damages, or liability of whatsoever kind or nature, arising out of or resulting from the construction, operation, or maintenance of the Contractor's power system.

SCHEDULE OF RATES

13. (a) The Contractor shall pay for the electric service furnished hereunder in accordance with the rates, charges, and conditions set out in the rate schedule, attached hereto as Exhibit D and made a part hereof.

(b) In addition to the charges payable under the rate schedule, specified in subarticle (a), when the United States utilizes transmission facilities other than its own in providing service under this contract, the Contractor shall pay to the United States for the use of such facilities under the rate schedule, attached hereto as Exhibit E and made a part of this contract. Said rate schedule is designed to recover all or part of the cost, (including transmission losses), to the United States for the use of such facilities. Such rate schedule may be modified from time to time in

PACIFIC GAS AND ELECTRIC COMPANY

PG&E +

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ATTORNEYS

January 27, 1982

Kenneth F. Plumb, Secretary
Federal Energy Regulatory Commission
825 North Capitol Street, N.E.
Washington, D.C. 20426

Re: FERC Docket No. ER81-679

Dear Mr. Plumb:

Pursuant to Section 1.11 of the Commission's Rules of Practice and Procedure and Section 35.17 of the Commission's Regulations under the Federal Power Act, Pacific Gas and Electric Company (PGandE) hereby requests permission to reduce from \$19.8 million to a level of \$9.6 million the March 12, 1982 Phase II increase authorized by the Commission in its October 23, 1981 order in the abovementioned docket. In support of this proposed adjustment, PGandE has enclosed for filing six revised copies of Volumes 2, 3, 4, 5, 6 and 7, originally filed with the Commission on August 12, 1981. As explained below, the proposed adjustments result from recent changes in the estimated commercial operation dates for PGandE's Diablo Canyon Nuclear units and Helms Pumped Storage units and the deletion of costs associated with the Cool Water Coal Gasification Program. In addition, certain adjustments have been made in accordance with the provisions of the Economic Recovery Tax Act of 1981.

On October 23, 1981, the Commission issued an order in the abovementioned docket accepting for filing and suspending PGandE's proposed, two phase changes in resale rate Schedules R-1, R-2 and FPC No. 8. Pursuant to the terms of an Offer of Partial Settlement filed by PGandE and adopted by the Commission in its October 23 order, the

Kenneth F. Plumb,
Secretary

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January 27, 1982

effective date for Phase I of the proposed increase, which amounts to \$24 million, was suspended until January 1, 1982. Phase II of the proposed increase, representing the balance of the \$46.3 million overall increase or \$22.3 million, was suspended until March 12, 1982. Both the Phase I and Phase II increases were allowed to become effective subject to refund.

The Commission in its October 23 order also directed PGandE to revise its filing to eliminate the effects associated with PGandE's proposed use of incremental depreciation in developing its cost-of-service. On November 23, 1981; in compliance with this portion of the Commission's order, PGandE filed revised versions of Volumes 2, 3, 6 and 7 of its original August 12, 1981 filing. As pointed out in the cover letter accompanying these revised volumes, the net effect of eliminating the use of the incremental depreciation methodology was a \$2.5 million reduction in PGandE's revenue requirement for the test period. As a result, the March 12, 1982 Phase II increase of \$22.3 million, authorized by the Commission subject to refund, was reduced to \$19.8 million.

In light of recent changes in the anticipated dates of commercial operation for PGandE's Diablo Canyon Nuclear units and Helms Pumped Storage units and significant changes in the Federal tax law, PGandE hereby proposes to further reduce the March 12, 1982 Phase II increase from the presently authorized level of \$19.8 million to \$9.6 million.

In its August 12, 1981 filing under this docket, PGandE based its calculations, in part, on its estimates of January 1, 1982 and September 1, 1982 commercial operation dates for Diablo Canyon Nuclear Unit Nos. 1 and 2, respectively. PGandE now estimates, for purposes of this filing, that Diablo Canyon Unit No. 1 will achieve commercial operation on August 1, 1982 and that Unit No. 2 will probably not come on line during the test year. Exclusion of Unit No. 2 from the test year, inclusion of five rather than twelve months of commercial operation for Unit No. 1 and updating the associated maintenance and operating expenses and capitol costs has the effect of reducing PGandE's revenue requirement for the test period (and the Phase II increase) by approximately \$8.6 million.

The originally estimated commercial operation dates for Helms Pumped Storage Unit Nos. 1, 2 and 3 of August, September and October, 1982, respectively, have also

Kenneth F. Plumb,
Secretary

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January 27, 1982

been revised. Helms Unit No. 3 is no longer expected to come on line during the test period. Helms Unit Nos. 1 and 2 are now expected to achieve commercial operation on October 1, 1982 and December 1, 1982, respectively. Exclusion of Helms Unit No. 3 from the test year, reduction in the number of months of anticipated commercial operation for Helms Unit Nos. 1 and 2 and updating the associated capital costs has the effect of further reducing PGandE's revenue requirement for the test period by approximately \$0.8 million.

The revenue requirement for the test period has been further reduced by \$0.6 million to reflect deletion of the costs associated with the Cool Water Coal Gasification Program in which PGandE has decided not to participate at the present time.

In its August 12, 1981 filing, PGandE normalized all book to tax timing differences. Under the Economic Recovery Tax Act of 1981 (ERTA) quicker deduction of capital is permitted. This accelerated recovery of capital is reflected in the proposed revision as a reduction in current tax expense. Consequently, deferred income taxes increased for the test period in an amount equal to the decrease in tax expense. The accumulated deferred tax reserve is increased, and this increase, in turn, reduces rate base for Period II resulting in a revenue requirement reduction.

In addition to the above-mentioned adjustments, investment tax credit for the test period was increased due to the deletion of the repair allowance under ERTA.

The effect of the adjustments made pursuant to ERTA as described above, have the effect of reducing PGandE's revenue requirement for the test period by approximately \$0.2 million.

The enclosed versions of Volume Nos. 2 through 7 of PGandE's August 12, 1981 filing under this docket have been revised in keeping with the adjustments discussed above. In addition, the November 23, 1981 revisions excluding marginal depreciation have also been incorporated. Tariff sheets for the Phase I rates now in effect and the revised Phase II rates proposed to become effective on March 12, 1982 are included under revised Volume No. 2, Statement BL.

The following table sets forth the projected net bills of the affected customers under Schedules R-1, R-2 and FPC No. 8 customers for the test year on the basis of the Phase I rates now in effect and on the basis of the reduced Phase II rates proposed herein.

(000 Omitted)

<u>Schedule R-1</u>	<u>Existing Rates (ER80-214)</u>	<u>Phase I Rates (as of 1/1/82)</u>	<u>Phase II Rates (proposed)</u>	<u>Phase I %</u>	<u>Phase II %</u>
Alameda	16,376	20,628	22,357	26.0	36.5
Healdsburg	2,522	3,183	3,444	26.2	36.6
Lodi	10,599	13,624	14,563	28.5	37.4
Lompoc	3,497	4,409	4,762	26.1	36.2
Santa Clara	20,876	26,121	28,377	25.1	35.9
Ukiah	<u>4,260</u>	<u>5,474</u>	<u>5,873</u>	<u>28.5</u>	<u>37.9</u>
S/T	58,130	73,439	79,376	26.3	36.5
 <u>Schedule R-2</u>					
Chester	1,136	1,435	1,534	26.3	35.0
Weaverville	1,121	1,406	1,507	25.4	34.4
Westwood	5,699	7,036	7,624	23.5	33.8
Bay Point Light & Power	297	387	410	30.3	38.0
Shasta Dam Area PUD	<u>34</u>	<u>44</u>	<u>46</u>	<u>29.4</u>	<u>35.3</u>
S/T (R-2)	8,287	10,308	11,121	24.4	34.2
Sierra Pacific	24,964	31,635	34,474	26.7	38.1
TOTAL	<u>91,381</u>	<u>115,382</u>	<u>124,971</u>	<u>26.3</u>	<u>36.8</u>

The following table provides a comparison of rates prior to January 1, 1982 with Phase I rates and proposed Phase II rates.

<u>Schedule R-1</u>	<u>Present (ER80-214)</u>	<u>Phase I (\$24 million)</u>	+	<u>Phase II (\$9.6 million)</u>
Customer Charge	\$820.00 per month	\$1,492.00 per month		\$1,640.00 per month
Demand Charge	\$ 4.61 per kW	\$ 8.39 per kW		\$ 7.384 per kW
Energy Charge	\$ 0.00572 per kWh	\$ 0.01041 per kWh		\$ 0.01718 per kWh
Transmission	\$ 0.29 per kW	\$ 0.53 per kW		\$ 0.59 per kW
Volt. Disc.				

Schedule R-2

Customer Charge	\$375.00 per month	\$ 682.00 per month		\$ 615.00 per month
Demand Charge	\$ 4.04 per kW	\$ 7.35 per kW		\$ 6.595 per kW
Energy Charge	\$ 0.00573 per kWh	\$ 0.01041 per kWh		\$ 0.01643 per kWh
Transmission	\$ 0.29 per kW	\$ 0.53 per kW		\$ 0.59 per kW

Schedule FPC No. 8

Customer Charge	\$21,750.00 per month	\$39,571.00 per month		\$34,000.00 per month
Demand Charge	\$ 3.81 per kW	\$ 6.93 per kW		\$ 6.225 per kW
Energy Charge	\$ 0.00560 per kWh	\$ 0.01019 per kW		\$ 0.01724 per kWh

Kenneth F. Plumb,
Secretary

-4-

January 27, 1982

Pursuant to established Commission practice and procedure the adjustments proposed above would normally be achieved through the refund mechanism, following hearings, if appropriate, and a Commission decision on the merits of PGandE's August 12, 1981 filing, as revised on November 23, 1981 pursuant to Commission order. However, under this scenario, staff and intervenors would not have the benefit of the revisions discussed above for use in preparing their respective analyses. One consequence of such circumstances would be to limit the usefulness of staff and intervenor analyses in the Commission decision making process.

If, alternatively, the adjustments described above were introduced, for the first time, at the hearing stage of the proceedings under this docket, substantial delay and additional expense might result from staff and intervenors' need to revise their respective analyses before either cross-examining PGandE's presentation or making their own direct presentation.

In order to avoid the potential delays discussed above and in the interest of providing the Commission with as complete and accurate a record as possible, PGandE is requesting permission to make the revisions to its original filing described above. However, if the Commission declines to adopt the amendments proposed by PGandE, the Company respectfully requests that the Commission deem the request to amend contained herein to be withdrawn.

To the extent that waiver of the 60 day notice period or waiver of some other provision of the Commission's rules proves to be a prerequisite to the granting of the relief requested herein, PGandE respectfully requests that the Commission grant such waiver or waivers as may be necessary.

Respectfully submitted,

DANIEL E. GIBSON
JACK F. FALLIN, JR.
HARRY W. LONG, JR.

By Harry W. Long, Jr.
HARRY W. LONG, JR.

HWL, Jr./ddt

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document by mailing copies by first class mail properly addressed to the following:

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Commission Staff Counsel
Federal Energy Regulatory Commission
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Washington, D.C. 20426

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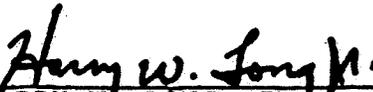
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Richard Jarrett
CP National Corporation
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Marvin S. Litt
Vice President and General Counsel
CP National Corporation
120 Montgomery Street, Suite 1800
San Francisco, California 94104

Executed at San Francisco, California this 27th day
of January, 1982.



HARRY W. LONG, JR.

accordance with Article F of the General Power Contract Provisions which are made a part hereof by Article 19.

(c) If increases in the rate of charge for transmission service and for transmission losses, either or both, are made during the term of this contract and the Contracting Officer notifies the Contractor that an increase will be made, the Contractor at any time not later than one hundred eighty (180) days after the effective date of any such increase, but not thereafter, may terminate this contract by written notice to the Contracting Officer, said termination to be effective as of such subsequent date as the Contractor shall therein designate.

POWER AND ENERGY DELIVERIES

14. All deliveries of power and energy by the United States to the Contractor shall be in accordance with procedures agreed upon between the Contractor and the Contracting Officer. The procedures shall provide schedules necessary to meet the needs of the day-to-day operation. Said procedures shall also specify conditions for deliveries which may be greater or less than scheduled that shall be adjusted in later deliveries.

OTHER RULES AND REGULATIONS

15. The Contracting Officer and the Contractor shall mutually agree upon and put into effect from time to time such other rules and regulations as may be required in order to establish the methods of operation to be followed in the performance of this contract.

RESALE OF ELECTRIC ENERGY

16. Distribution Principles. The parties hereto agree and understand that the purpose of making low-cost, Federally-generated power available is to encourage widespread use thereof, and the Contractor therefore agrees:

(a) That the benefits of Federally-generated power shall be made available at fair and reasonable terms to all of its consumers at the lowest possible rates consistent with sound business principles.

(b) That it will, to the extent that different rules are not prescribed by State laws or by State or Federal agencies, maintain proper books of account in accordance with the system of accounts described for public utilities, and licenses by the Federal Energy Regulatory Commission.

(c) That it will furnish for the information of the Contracting Officer copies of schedules of resale rates in effect on the date of execution of this contract, and will also furnish for the information of the Contracting Officer schedules of resale rates hereafter adopted.

(d) That it will provide the Contracting Officer an annual statement indicating that the charges to consumers are consistent with the principles set forth in subarticle (a) hereof.

(e) That it will publish annually a report in a newspaper of general circulation in the area served by the Contractor, and will include in such report the operating and financial data of the Contractor's electric

distribution system, setting forth in detail the gross revenues and disposition thereof. The first of such reports shall be published annually on or before the first day of October. In lieu of the published annual report, the Contractor may furnish such information by mailing copies of the annual report to each of its consumers and a copy to the Contracting Officer.

CONSERVATION AND RENEWABLE ENERGY PROGRAM

17. (a) The Contractor and its members at the distribution level (as determined by ~~Western~~ ^{United States} to be applicable) shall develop and implement a conservation and renewable energy program. For the purposes of this Article, the term "conservation and renewable energy program" means any program or activity carried out by the Contractor to increase energy production by renewable energy sources, increase the efficiency of energy use from existing or planned facilities, or reduce energy consumption.

(b) To effect a conservation and renewable energy program, the parties hereto agree as follows:

(1) The Contracting Officer will provide guidance and, if requested, will assist the Contractor in development of a conservation and renewable energy program. The Contracting Officer has established formal guidelines and acceptance criteria which were published in the Federal Register on November 13, 1981 (46 FR 56140).

(2) The Contractor will develop a conservation and renewable energy program suitable for its own geographic area and type of utility operation and will submit said program to the Contracting Officer for review and approval within 12 months of the effective date of this contract. The program should include a description of what the Contractor has done in the past and the plans for future implementation. Credit will be given for past accomplishments. Approval of the Contractor's program shall be in accordance with the published guidelines and acceptance criteria. The approved conservation and renewable energy program will be subject to review by the Contracting Officer every 36 months.

(3) If the Contractor does not obtain the Contracting Officer's approval of its program within 24 months of the effective date of this contract or approval of the Contractor's program has been revoked, the Contractor's firm power commitment, as set forth in this contract, may be reduced by 10 percent of the contract rate(s) for firm power; Provided, That no such reduction shall be made until 12 months after the Contracting Officer provides comments to the Contractor outlining deficiencies of the Contractor's program based on the guidelines and acceptance criteria referred to in Section (1) above and unless the Contractor fails to obtain approval by appropriate revision of its program.

EXHIBITS MADE PART OF CONTRACT

18. Inasmuch as the contract rate of delivery, operating agreement, delivery conditions, electric service rate schedule, and transmission rate

schedule existing under this contract will vary during their term hereof, they will be set forth in Exhibits A, B, C, D, and E respectively, and adjusted from time to time as formulated between the parties hereto. Each of said exhibits when executed by said parties shall become a part of this contract during the term fixed by its provisions. The initial Exhibits A, B, C, D, and E are attached hereto, and each shall be in force and effect in accordance with its terms until respectively superseded by a subsequent exhibit.

GENERAL POWER CONTRACT PROVISIONS

19. The General Power Contract Provisions, effective April 1, 1979, attached hereto, are hereby made a part of this contract the same as if they had been expressly set forth herein;

THE UNITED STATES OF AMERICA

By _____

Title _____

Address _____

By _____

Title _____

Address _____

**EXHIBIT A
(ELECTRIC SERVICE TO BE FURNISHED)**

1. This Exhibit A, made this _____ day of _____, 19____, to be effective under and as a part of Contract No. _____, dated _____, 19____, (hereinafter called the Contract), shall become effective on the date of initial service under the Contract and shall remain in effect until superseded by another Exhibit A; Provided, That;

- (a) This Exhibit A or any superseding Exhibit A shall be terminated by the termination of the Contract; and
- (b) The Contracting Officer reserves the right to terminate this Exhibit A and require the substitution of a new exhibit at such time as new delivery points or conditions may be established - for additional firm power service.

Point of Delivery

2. The Contracting Officer, under terms and conditions stipulated in the Contract will furnish electric service to the Contractor, from and after the date of initial service as defined in the Contract at the point at which the _____ circuits of the Contractor are attached to the _____, circuits of the Pacific Gas and Electric Company at or near _____ California.

3. Electric power and energy furnished hereunder will be delivered to the Contractor at a nominal delivery voltage of _____.

THE UNITED STATES OF AMERICA

By _____

Title _____

Address _____

By _____

Title _____

Address _____

Contract No. _____

EXHIBIT B

(CONTRACT RATE OF DELIVERY)

1. This Exhibit B, made this _____ day of _____, 19____, to be effective under and as a part of Contract No. _____, dated _____, 19____, (hereinafter called the Contract), shall become effective on the first day of _____, 19____, and shall remain in effect until superseded by another Exhibit B; Provided, That this Exhibit B or any superseding Exhibit B shall be terminated by the termination of the Contract.

Contract Rate of Delivery for Firm Power

2. On and after the effective date of this Exhibit B the contract rate of delivery for firm power shall be _____.

THE UNITED STATES OF AMERICA

By _____

Title _____

Address _____

By _____

Title _____

Address _____

EXHIBIT C
(OPERATING AGREEMENT INCLUDING QUANTITATIVE DETERMINATIONS)

1. This Exhibit C, made this _____ day of _____, 19____, to be effective under and as a part of Contract No. _____, dated _____, 19____, (hereinafter called the Contract), shall become effective on the first day of the _____ billing period and shall remain in effect until superseded by another Exhibit C; Provided, That;

- (a) This Exhibit C or any superseding Exhibit C shall be terminated by the termination of the Contract; and
- (b) It is recongized that the Contactor may desire to change its electric service arrangements from time to time and that appropriate modifications may be required in the Exhibit C accordingly; and the parties will consider a revision to the exhibit if and when the Contractor desires to change its arrangements, the United States reserving specifically the right to terminate this Exhibit C and require the substitution of a new exhibit in the event that the electric service arrangements of the Contractor are altered so that this exhibit no longer is in accordance with the altered arrangements or the principles set forth in the contract.

Contractor's System Requirements

2. The System Definitions and Billing Determinations set forth in this Operating Agreement are based upon the understanding of the parties that the Contractor's electric service arrangements are such that its system requirements are being supplied from the following sources only:

- (a) Firm power service from the United States.
- (b) Additional power service from a co-suppliers own sources.

System Definitions

3. (a) The Contractor's System Demand for any billing period shall be the sum, for the 30-minute interval in which the sum is largest, of the 30-minute integrated demands established during the billing period at the point(s) of delivery as measured and adjusted if necessary in accordance with Exhibit A, and of the 30-minute integrated demands established during the billing period at any point(s) of delivery at other than those where the United States makes deliveries.

Billing Determinations

4. (a) The billing demand and energy billed for power service in any billing period in which the Contractor's System Demand is equal to or less than the contract rate of delivery as set forth in Exhibit B, the Contractor shall pay for all power and energy delivered hereunder to its system during such period at the rate provided for in Article 13.

- (b) (1) The billing demand for firm power service in any billing period in which the Contractor's System Demand is larger than the contract rate of delivery as set forth in Exhibit B, the Contractor shall pay for electric service at the rate provided for in Article 13 using the effective contract rate of delivery set forth in Exhibit B, as the billing demand:
- (2) The energy billed for firm power service in any billing period in which the Contractor's System Demand is larger than the contract rate of delivery, as set forth in Exhibit B, shall be determined by the following formula:

$$\text{Energy Billed} = \frac{A}{B} \times C$$

Where: A = The maximum rate of delivery for firm power service as established by Exhibit B of the contract.

B = Contractor's System Demand as determined pursuant to section (a) of paragraph 3.

C = Contractor's System Energy Requirements as determined pursuant to section (b) of paragraph 3.

THE UNITED STATES OF AMERICA

By _____

Title _____

Address _____

By _____

Title _____

Address _____

Contract No. _____

EXHIBIT E
(TRANSMISSION RATE SCHEDULE)
(Above 44kV)

1. This Exhibit E, made this _____ day of _____, 19____, to be effective under and as a part of Contract No. _____, dated _____, 19____, (hereinafter called the Contract), shall become effective on the date of initial service under the Contract and shall remain in effect until superseded by another Exhibit E; Provided, That:

- (a) This Exhibit E or any superseding Exhibit E shall be terminated by the termination of the Contract; and
- (b) The Contracting Officer reserves the right to terminate this Exhibit E and require the substitution of a new exhibit at such time as new rates, charges or conditions may be established for firm power service as provided for in Article 13 of the Contract.

2. When the United States utilizes transmission facilities other than its own in providing service under this contract, and costs are incurred by the United States for the use of such facilities, the Contractor:

- (a) Shall pay that portion of such costs, including transmission losses, which are in excess of one mill per kilowatt-hour transmission charge and in excess of five percent (5%) transmission losses incurred in the delivery of,
 - (i) all power up to the number of kilowatts on which the demand or capacity applies; and
 - (ii) all energy up to the amount equal to the number of kilowatt-hours on which the energy charge applies; and
- (b) Shall pay all such costs, including transmission energy losses, incurred in the delivery of all energy (including secondary and dump energy) in excess of the amount stated in subsection 2(a) of this article.

3. The transmission losses chargeable to the Contractor shall, for billing purposes, be added to the meter readings of the power and energy delivered to the Contractor. The total current transmission costs under the PG&E Contract for electric service as contemplated herein are: 1 mill per kilowatt-hour

delivered in addition to five percent (5%) of power and energy delivered, to compensate for transmission losses. The minimum charge for transmission of energy under terms of this contract shall not be less than twenty-five (25) cents per kilowatt times the maximum 30-minute integrated demand each month.

THE UNITED STATES OF AMERICA

By _____

Title _____

Address _____

By _____

Title _____

Address _____

Contract No. _____

EXHIBIT E
(TRANSMISSION RATE SCHEDULE)
(Below 44kV)

1. This Exhibit E, made this _____ day of _____, 19____, to be effective under and as a part of Contract No. _____, dated _____, 19____, (hereinafter called the Contract), shall become effective on the date of initial service under the Contract and shall remain in effect until superseded by another Exhibit E; Provided, That:

- (a) This Exhibit E or any superseding Exhibit E shall be terminated by the termination of the Contract; and
- (b) The Contracting Officer reserves the right to terminate this Exhibit E and require the substitution of a new exhibit at such time as new rates, charges or conditions may be established for firm power service as provided for in Article 13 of the Contract.

2. When the United States utilizes transmission facilities other than its own in providing service under this contract, and costs are incurred by the United States for the use of such facilities, the Contractor:

- (a) Shall pay that portion of such costs, including transmission losses, which are in excess of one mill per kilowatt-hour transmission charge and in excess of five percent (5%) transmission losses incurred in the delivery of,
 - (i) all power up to the number of kilowatts on which the demand or capacity applies; and
 - (ii) all energy up to the amount equal to the number of kilowatt-hours on which the energy charge applies; and
- (b) Shall pay all such costs, including transmission energy losses, incurred in the delivery of all energy (including secondary and dump energy) in excess of the amount stated in subsection 2(a) of this article.

3. The transmission losses chargeable to the Contractor shall, for billing purposes, be added to the meter readings of the power and energy delivered to the Contractor. The total current transmission costs under the PG&E Contract for electric service as contemplated herein are: 1 mill per kilowatt-hour

delivered in addition to five percent (5%) of power and energy delivered, to compensate for transmission losses. The minimum charge for transmission of energy under terms of this contract shall not be less than twenty-five (25) cents per kilowatt times the maximum 30-minute integrated demand each month.

In addition to the charges payable under this Article, the Contractor shall pay, in compensation for low voltage power, twenty-two cents (\$0.22) per kilowatt of monthly maximum demand, plus three percent (3%) for all power and energy delivered both as measured at the point of delivery.

THE UNITED STATES OF AMERICA

By _____

Title _____

Address _____

By _____

Title _____

Address _____
