

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY and CITY OF LOS ANGELES, for an Order authorizing Southern California Edison Company to sell to the City of Los Angeles the distribution system of said Southern California Edison Company, situated within said City of Los Angeles, in accordance with the terms and provisions of the contract between said parties, dated May 26th, 1919, and agreements supplemental thereto, and approving said contract and said agreements supplemental thereto.

Application No. 7632
(Supplemental)

James G. Loevy, for Department of Public Service of City of Los Angeles and City of Los Angeles.
F. W. Cunningham, for Southern California Edison Company.
E. R. Rosenkranz, for Emil Firth.
Frank L. Muhleman, in propria persona.
Willis Owen, for Filcher & Cox.
A. D. Hitchcock, for the San Fernando Feed & Fuel Company.
M. H. Moser, for the Sunshine Company.
August Kleiman, for Mrs. Lena Kleiman.
Mrs. R. J. Lewis, in propria persona.

BRUNDIGE, COMMISSIONER:

O P I N I O N

Southern California Edison Company applies herein for determination by the Commission of what disposition should be made of certain unrefunded deposits which it had on hand on May 16, 1922, the date of the transfer of properties to the City of Los Angeles as provided in Decision 10220 of this Commission in the above entitled matter, which deposits had been made by consumers of the

Southern California Edison Company located within the city limits of Los Angeles and served from lines transferred to the City of Los Angeles in accordance with the above numbered decision.

A hearing in this supplemental petition was held on August 7th, 1922, at which time evidence was introduced setting forth a list of all consumers served by Southern California Edison Company who had made deposits with it for the purpose of securing extensions to distribution lines within the city limits transferred to the City of Los Angeles, which deposits had not on May 16, 1922, been entirely refunded.

At the hearing it was urged by City of Los Angeles, now the owner of the property, that the deposits should be turned over to the City and that the City would willingly agree to see that the contracts covering the deposits were carried out by it and refunds made as provided therein. Certain of the consumers present urged that the moneys on deposit should be refunded to them, and this position was also taken by Southern California Edison Company. The number and amount of deposits listed in applicant's Exhibit A, which had not been refunded up to the date of hearing, totals 195 deposits and \$77,123.25.

This proceeding was submitted on August 7, 1922, subject to the provision that parties might have thirty days thereafter in which to file briefs relative to this matter. Briefs have been filed by Southern California Edison Company and by Frank L. Muhleman. No brief has been filed by City of Los Angeles.

It is urged by Southern California Edison Company that the amount of such deposits unrefunded shall be returned to the persons from whom deposits were received, provided that this

should/^{not}apply in the cases where contract periods had expired prior to May 16, 1922.

Southern California Edison Company also urges that under the special contract between it and the Windsor Square Investment Company, dated the 13th day of June, 1912, no refund should be made although the actual contractual period did not expire until June 1, 1922.

Frank L. Muhleman urges also that the amounts be refunded.

An analysis of the list of contracts covering deposits indicates that a number of consumers deposited money prior to 1918, under contracts which provided for refunds during the first three years only. Practically all contracts from 1918 on have provided for no limitation as to period during which refunds would be made, with the exception of a few instances where a five year period, and in some instances a ten year period was provided. From a study of the records of this Commission, it does not appear that there was any approval by this Commission of a three year contract period nor was there any rule filed with the Commission covering this specific limitation. It is to be further noted that this Commission, in its Decision No. 2879 in Case No. 683, dated November 15, 1915, provided in Rule No. 15 thereof that the utilities should make extensions within a municipality provided that in any case in which the construction of an extension at a utility's sole cost would, in its opinion, work an undue hardship on it or its consumers, it might submit the matter to the Commission. The records do not show any approval of a three or five year contract thereafter. Under the circumstances I believe that it is only fair and just that Southern California Edison Company should treat all of the consumers listed alike, with the exception herein provided, although the period specified in the original contract has expired.

From a careful consideration of the evidence and the briefs filed in this proceeding, I find that Southern California Edison Company should refund to all consumers who have deposited money with it for extensions of service on the system which it transferred to the City of Los Angeles in accordance with the authority granted in Decision No. 10220, the amount of such deposits unrefunded, together with interest thereon at the rate of six per cent per annum from May 16, 1922 until same is refunded, provided that this does not apply to the special contract between Southern California Edison Company and Windsor Square Investment Company, dated June 13, 1912.

I recommend the following form of order.

O R D E R

Southern California Edison Company having filed its supplemental petition with this Commission requesting the determination of what disposition should be made of certain unrefunded deposits covering extensions of service on the system transferred to the City of Los Angeles in accordance with Decision No. 10220 of this Commission, public hearing having been held and the period for the filing of briefs having expired,

IT IS HEREBY ORDERED that Southern California Edison Company refund to all persons, firms or corporations from whom it has obtained deposits covering extension of service on lines transferred to the City of Los Angeles on May 16, 1922, as listed in Southern California Edison Company's Exhibit No. 1 herein, the unrefunded amounts, together with interest at the rate of six (6) per cent per annum on said unrefunded amounts from May 16, 1922 to date of refund. Said refunds are to be made before December 1, 1922. This Order shall not apply to the contract with Windsor Square Investment Company.

IT IS HEREBY FURTHER ORDERED that Southern California Edison Company file with this Commission on or before December 1, 1922 an affidavit setting forth the amount of each refund made, the date the same was made and the party to whom it was made.

The foregoing Opinion and Order are hereby approved and ordered filed as the Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 19th day of October, 1922

H. B. Prudden
Erving Martin
Clayton A. Brown
J. J. Lueders

Commissioners.