

Decision No. 32237

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY LTD. and DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES for Order approving Contract of Compromise and Settlement of pending litigation and authorizing, in effectuation of said compromise and settlement, the consent by said Company to Judgment of Condemnation transferring to said City and Department title to electrical distribution properties of said Company located within portions of the City of Los Angeles annexed thereto since 1922.

Application No. 22772

BY THE COMMISSION:

O P I N I O N

This application of Southern California Edison Company Ltd., joined in by the Department of Water and Power of the City of Los Angeles, is for authority to execute an agreement effecting a compromise of long continued litigation between them respecting the acquisition of the electric properties of the Edison Company situated within the City. In three condemnation proceedings initiated under Section 47(b) of the Public Utilities Act, the Commission fixed the just compensation to be paid for the greater part of the properties covered by the present contract of conveyance. Subsequently suit was begun by the City to obtain a final decree in condemnation. The authority requested covers an agreement for the compromise and settlement of that suit, together with a stipulation for the entry of final judgment therein.

The utility electric properties to be conveyed are those located within forty-eight areas annexed to the City of Los Angeles since 1922 when the City first entered into the field of municipal distribution of electric energy. With the exception of eleven of these annexed areas, all the Edison Company properties now to be conveyed were valued by the Commission in the course of the three petitions in eminent domain presented to it pursuant to the provisions of the Act. The eleven areas subsequently added to the City are of comparatively minor extent. Therefore, the total consideration of \$5,572,000 fixed in the stipulated judgment reflects not only the just compensation originally fixed by the Commission, modified to reflect the judgment of the parties as to subsequent changes as contemplated by Section 47(b) of the Act, but also the additional electric facilities not covered by those condemnation valuations. The agreement for a stipulated judgment further provides for the purchase by the Edison Company from the City of certain electric properties located outside the municipal boundaries, the agreed consideration for this purchase being \$1,078,000.

Manifestly, the execution of such agreement is in the public interest. The Commission must recognize the right of the municipality to condemn the property of a public utility. Inasmuch as the major part of these electric properties are being acquired under authority of the provisions of law governing such public acquisition, the only issue here presented is whether authorization should be granted as provided in Section 51 of the Act for the disposition of these additional properties not covered by the condemnation proceedings. As they are small parcels which would be completely surrounded by the electric system operated by the City, it is clear that continued utility service therein by the

Edison Company would not be justified.

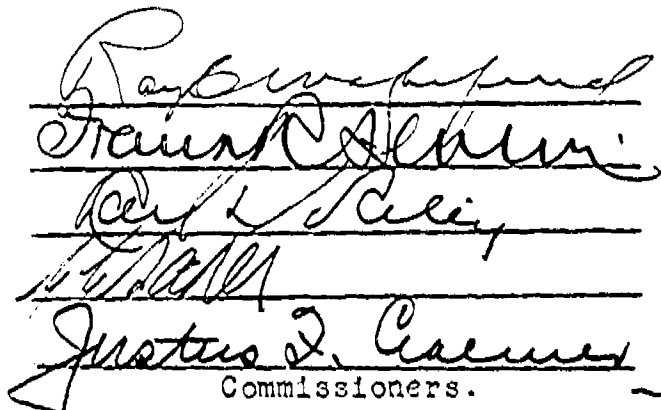
Those provisions of the submitted contract relating to the future policy of the parties in the event of further annexations to the City, as well as those in respect to utility rates and service in the outside area now to be taken over by the Edison Company, are matters for the Commission's future consideration, and the authority here granted for the execution of the contract is not to be taken as limiting its jurisdiction in respect thereto in any appropriate proceeding.

O R D E R

The Southern California Edison Company Ltd. having made application for authority to enter into a contract with the Department of Water and Power of the City of Los Angeles for the sale of certain of its electric distribution properties in said City, as described in said application, and it appearing to the Commission that such application should be granted without public hearing thereon; Therefore,

Good cause appearing, IT IS ORDERED that Southern California Edison Company Ltd. be and hereby is authorized to execute the instrument or instruments referred to and set forth in said application, the authority thus granted and the order here made to become effective twenty (20) days from the date hereof.

Dated at San Francisco, California, this 6th day of June, 1939.


Commissioners.