

ORIGINAL

Decision No. 39289

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SOUTHERN CALIFORNIA EDISON COMPANY LTD.,)
 for a certificate that present and future)
 public convenience and necessity require)
 or will require the construction and)
 operation of Applicant's electrical gen-) Application
 eration, transmission and distribution) No. 26791
 system to render sixty cycle alternating)
 current service, and for an Order fixing)
 said frequency as a standard for said)
 system, and authorizing discontinuance)
 of fifty cycle alternating current service)
 in territory served by Applicant.)
 -----)

THIRD SUPPLEMENTAL ORDER

In a supplemental petition filed in the above-entitled matter, Southern California Edison Company Ltd. asks the Commission to make its supplemental order authorizing applicant, upon the change in the frequency of the Vernon generating plant and equipment and distributing system and all consumer-owned equipment supplied by said generating plant and distributing system, to charge the frequency change expenses so incurred to Account 141, Extraordinary Property Losses, and pending further determination as to the period of amortization, to extinguish said frequency change expenses through Account 506, Property Losses Chargeable to Operations, as incurred and that no portion of such expenses shall be chargeable to the City of Vernon.

Edison is operating the Vernon electric plant under lease. Section 9 of the lease agreement provides in part as follows:

"It is distinctly understood and agreed that if Edison, its successors or assigns, hereafter changes the cycle frequency under which it distributes its electric energy in all or any part of Los Angeles County, including any incorporated territory therein, (except only where power at said cycle frequency is wholesaled by Edison only), Edison will immediately, at the option of Vernon, commence, and thereafter proceed diligently until completed, to reconstruct the generating equipment in the Vernon generating plant so that electricity will be generated thereat at the changed cycle frequency, and to make a corresponding change in the cycle frequency under which it distributes electric energy to all consumers within the City of Vernon, under the same terms and conditions as such change is made elsewhere on the system of Edison, its successors or assigns,"

Edison is now engaged in changing the cycle frequency (from 50 to 60) on its system and proposes to change the cycle frequency on the leased electric properties owned by the City of Vernon and as required by its lease with the City, it will further, upon the conversion of the generating and distribution equipment, assume the cost of converting the consumers' appliances under the same terms and conditions as it converts consumer appliances on its own system. It estimates the cost of making the conversions at \$1,000,000, of which about \$850,000 will be required to change consumer equipment and the remainder to change city-owned equipment.

The Commission has considered Edison's request and is of the opinion that all the expenditures incurred by Edison in making said frequency changes may be charged to Account 141, Extraordinary Property Losses. However, expenditures which represent charges to electric plant accounts, should be amortized by charges to Account 414, Miscellaneous Debits to Surplus, during the period that other frequency change expenses are amortized through Account 506, Property Losses Chargeable to Operations.

The remainder of the expenses may be, pending further determination as to the period of amortization, charged to said Account 506.

IT IS HEREBY ORDERED that Southern California Edison Company Ltd. may charge to Account 141, Extraordinary Property Losses, all of the cost of changing the frequency from 50 cycles to 60 cycles of the Vernon generating plant and equipment and distributing system and of consumer-owned equipment supplied by said generating plant and distributing system. Those expenditures which represent charges to electric plant accounts should be amortized by charges to Account 414, Miscellaneous Debits to Surplus, during the period that other frequency change expenses are amortized through Account 506, Property Losses Chargeable to Operation. The remainder of the frequency change expenses may be, pending further determination as to the period of amortization, charged to said Account 506.

Dated at San Francisco, California, this 30 day of July, 1946.

Harold Rudwick
Justice F. Cannon
Ernest C. Carr
Wesley Lowell
Harold P. Hule
Commissioners