

Decision No. 41508**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY for a certificate that present and future public convenience and necessity require or will require the construction and operation of Applicant's electrical generation, transmission and distribution 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.

Eleventh Supplemental Application No. 26791

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, for an Order of the Public Utilities Commission of the State of California authorizing it to carry out the terms of a Supplemental Service Agreement with the City of Azusa, a municipal corporation, for the furnishing of electric service to said City for resale purposes.

First Supplemental Application No. 29011

OPINION AND ORDER ON SUPPLEMENTAL APPLICATIONS

Southern California Edison Company on March 30 submitted a contract with the City of Azusa, which contains the terms and conditions governing the conversion to 60-cycle operation of the electric system owned and operated by the City, but supplied with power by Edison. On the following day, March 31, 1948, Edison submitted a Supplemental Service Agreement in amendment of the contract whereby the City now purchases energy from Edison for distribution and resale. This latter contract was authorized by the Commission in Decision No. 41211 in Application No. 29011. Edison

requests authority to enter into the contract respecting the conversion to 60-cycle operation and to make said contract effective as of September 2, 1947, together with authority to carry out the terms and charge the rates of the Supplemental Service Agreement.

The contract for conversion to 60-cycle operation provides that Edison will adapt City's own utilization equipment, as well as City's consumers' utilization equipment. Adaptations will generally be carried out in the same manner and to the same extent as Edison has undertaken to do for its own customers. Edison will carry out the conversion work with its own forces or through subcontractors. Said contract is substantially the same as the contract heretofore authorized by this Commission between Edison and the City of Anaheim. The conversion work will be performed at Edison's expense and Edison will be reimbursed as provided for in the Supplemental Service Agreement.

Edison estimates that it will cost approximately \$162,000 to adapt City's and City's consumers' frequency sensitive equipment served by the City's 50-cycle distribution system. Of this amount \$77,316 is to be borne by the City through a surcharge of 20% of each monthly bill for electric service rendered by Edison to the City under the service agreement, commencing on May 10, 1948. It is further provided that in the event Edison has not been paid in full the amount of \$77,316 on or before the first of October 1956, the service agreement previously authorized by Decision No. 41211, together with the modification for which authorization is requested in the First Supplemental Application No. 29011, shall automatically continue in effect until the company has been so paid in full by the City, and shall continue thereafter from month to month until terminated by either party through written notice.

Edison's annual reports to the Commission show the annual revenue from service to the City of Azusa to be approximately \$52,000 in 1946. Indications are that the proposed plan of surcharge payment totalling \$77,316 will be completed about 1953. The disposition of the costs assumed by Edison under these contracts is an accounting matter which will be disposed of at a later date. Edison should keep separate records of such costs for subsequent analysis.

The applications having been considered, the Commission being of the opinion that a public hearing is not necessary, and that the contracts as submitted are not adverse to the public interest and should be authorized, therefore

IT IS HEREBY ORDERED in Eleventh Supplemental Application No. 26791 that Southern California Edison Company be and it is hereby authorized and directed as follows:

1. To carry out the terms and conditions of that certain contract with the City of Azusa dated March 15, 1948, attached to the Eleventh Supplemental Application as Exhibit A, and to make same effective as of September 2, 1947, in accordance with provisions contained in said contract.
2. To account, until further order of the Commission, for costs incurred in connection with said contract in accordance with the order in Decision No. 38090 as amended.
3. To maintain such records as will permit segregation of costs of adapting City's consumers' equipment for such subsequent analysis, review and disposition as the Commission may hereafter deem necessary.

IT IS HEREBY ORDERED in First Supplemental Application No. 29011 that Southern California Edison Company be and it is hereby authorized to carry out the terms and provisions of that certain Supplemental Service Agreement dated March 15, 1948 and attached as Exhibit A to said First Supplemental Application, and to charge

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such additional charges and for the period stated as provided in said Supplemental Service Agreement.

The effective date of this order shall be twenty (20) days from and after the date hereof.

Dated at San Francisco, California, this 27th day of April, 1948.

R. E. Underman
Justice J. Coe
Frank Powell
Harold Hule
Samuel P. Potter
Commissioners