

Decision No. 42705**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of
 SOUTHERN CALIFORNIA EDISON COMPANY,
 a corporation, and SOUTHERN CALIFORNIA
 WATER COMPANY, a corporation, for an
 Order of the PUBLIC UTILITIES COMMIS-
 SION authorizing applicant, SOUTHERN
 CALIFORNIA EDISON COMPANY to enter
 into a special agreement with SOUTHERN
 CALIFORNIA WATER COMPANY.

Application No. 30129

OPINION AND ORDER

In this application, Southern California Edison Company^{1/} and Southern California Water Company^{2/} seek authority to carry out provisions of an agreement between the parties dated December 31, 1948, which is attached to the application as Exhibit 1.

In Application No. 26791, Edison was authorized by Decision No. 38090, issued July 27, 1945 (45 C.R.C. 779) to proceed with a program of changing its electric system frequency from 50 cycles to 60 cycles. By Decision No. 39381 (46 C.R.C. 642), issued September 3, 1946, the Commission ordered Edison to carry out this program in accordance with the provisions of Rule and Regulation No. FC-1. Among other things, Rule and Regulation No. FC-1 provided that Edison would adapt and assume the reasonable costs of adapting customers' utilization equipment for operation at a frequency of 60 cycles, but that the cost of additions, betterments, repairs, or maintenance of customers' utilization equipment was not to be a part of the reasonable cost of adaptation. The rule, likewise, permitted a customer to perform the necessary work on his own utilization equipment and permitted Edison to

^{1/} Hereinafter referred to as Edison.

^{2/} Hereinafter referred to as Customer.

make a cash payment to the customer as a conversion allowance in lieu of adaptation, which allowance was to be predicated upon schedules of adaptation costs or upon the estimated costs of converting the particular equipment. Upon payment of such allowance, Edison was to be considered as having fully discharged its obligations with respect to the adaptation of its customers' equipment.

Southern California Water Company, Customer, in this program, elected to perform its own adaptation work for a majority of the equipment affected by the program. Exhibit B attached to the contract submitted herein indicates that Customer converted 80 deep-well pumps, 56 booster pumps, and 18 other miscellaneous items. The normal conversion allowance, as shown by Exhibit B, is \$19,632.50. Customer, in this case, is unwilling to sign the standard form of Conversion Allowance and Release Agreement (Form FC-73), because it does not consider the proposed allowances to be adequate, and desires to reserve the right to contest the reasonableness or adequacy of the allowance. The agreement, however, will permit the payment of that portion of the allowance with which both Edison and Customer are not in disagreement.

Both Edison and Customer are public utilities subject to this Commission's jurisdiction. Consequently, authorization of the contract submitted herein and prompt payment of that portion of the conversion allowance which is not in dispute, will create no problem with respect to the future final disposition of the problem and will assist both Edison and Customer in completing the frequency change undertaking.

The Commission having considered the application, being of the opinion that the contract should be authorized, that the consummation thereof will further the interest of both parties, and that a public hearing is not necessary, therefore,

IT IS HEREBY ORDERED that Southern California Edison Company and Southern California Water Company be and they are hereby authorized to carry out the terms and provisions of that certain agreement, dated December 31, 1948, attached to the application as Exhibit 1.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 12th day of April, 1949.

R. E. Underman

Justice F. Casper

Harold Kula

Harrold Lott
Commissioners