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Declassified E.O. 12356 Section 3.3/NND No.

785017

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10000/109/996
(VOL. II)

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JULY

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Declassified E.O. 12356 Section 3.3/NND No.

785017

10000/109/996
(VOL. II)

ELECTRIC POWER INDUSTRY
JULY 1945

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129

C.S.O

Reports contained in this file cover discussion held in Geneva & vice versa re electronic power. At folio 127 reference is made to an agreement in connection with furnishing information to the Paris & France. However leaf at folio 128 advises that to build up any agreement until a detailed report is received. Presume a copy will be mailed to the US & presumably any action taken will appear on this file. You shall be kept informed.

WBR 1/12/45

Went

H 12/17

137

late

Please refer to 14. At folio 136 is a letter from Em. Let to the Paris Supply - M. St. Jacques & S. France. At folios 137 - 138 are notes of meeting held at Geneva re agreement between France & Germany. - for info.

WBR 3/17/45

Agree. to the

H 1/18

4704

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Declassified E.O. 12356 Section 3.3/NND No. 785017⁵⁴⁰⁶
CONFIDENTIALHEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

HJR/ag

REFERENCE : 239/PWU.
 SUBJECT : Electric Power Supply -
 Northwest Italy to South East France.
 TO : A.F.H.Q. - G-5.

27 July 45
JUL 28 1945

1. Reference your letters 16 and 17 July, including enclosures and telephone conversation 17 July Majors Byles - Rosson.
2. Inclosed are two copies of statements relative to the meetings held in Genoa on the 19th and 20th of July. Original copies of these statements in English, Italian, and French signed by the parties concerned are in possession of this Sub-Commission.
3. During the course of the Genoa meetings several differences of opinion were encountered. The final statement reflects a compromise on several points of contention. It is our definite recommendation that all agreed articles be incorporated in the final contract without change.
4. It was not possible to reach an agreement on article 7, and the divergent opinions are included in the statement. Another question which may possibly arise is the levying of an export tax by the Italian Government on energy transferred to France.
5. Referring further to article 7. In order to permit Utility Companies to collect sufficient revenues to pay actual operating expenses, it has been necessary to approve surcharges to basic rates. In the case of large Electric Companies the greatest percentage surcharge approved by this headquarters amounted to 300% (Valdarno Electric Company - Florence) - CIELI is now preparing an application for permission to apply surcharges to all rates. In all probability the amount of the surcharge will be finally determined by the competent authorities of the Italian Government. CIELI, quite properly, does not wait

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(Capt. Anderson)

See M 1337
11/1/8

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to enter into any contract which will exempt the other party from paying the full amount of any authorized surcharge. On the other hand the resale rates of "L'Energie Industrielle" are controlled by the French Government and it is therefore difficult for this company to agree to pay a surcharge, the amount of which is indeterminate at this time. It is suggested that the best solution to this matter can be reached by direct negotiations with the Italian Authorities.

6. This matter was originally referred to us for solution of the technical matters involved, and these have now been satisfactorily settled. We are therefore taking no further action pending receipt of instructions from you.

For the Chief Commissioner :

(sgd) E B. McKinley

E.B. MCKINLEY,
Brigadier General, USA,
Acting Vice President.

Copies to : Executive Commissioner,
Regional Commissioner, Liguria,
(att : Regional Engineer).

4782

C O N F I D E N T I A L

COPY

At meetings held at Genova on 19 and 20 July 1945 terms of a proposed contract between the "Société L'Energie Industrielle" (France) and the "Compagnia Imprese Elettriche Ligure" (Italy) were discussed.

In addition to representatives of the companies Major H.J. ROSSON and Captain E.E. PARKER were present and acted as arbitrators.

Major ROSSON served as chairman of the meeting. Mr. EYNARD, Engineer of Ponts & Chaussées at NICE, representing the Control Service of the "Distribution de l'Energie Electrique" (France) was equally present.

Subject to approval of the French and Italian Governments and Allied Military Authorities it was agreed that the following articles be incorporated in a contract to be executed between the "Société l'Energie Industrielle" and the "C.I.E.L." companies.

- (1) The "Compagnia Imprese Elettriche Ligure" of Italy will make available to the "Energie Industrielle" of France at the San Dalmazzo power plant for a period of approximately twelve (12) months ending 30th June 1946, electrical power in the amount and within the conditions stated below.
- (2) The continuance of the supply beyond 30 June 1946 will depend on conditions obtaining at that time and on desires of the contracting parties. Factors to be examined at this time will be :
 - (a) Amount of power required in northern Italy considering the reactivation of industry.
 - (b) Restoration of generating stations in France.
 - (c) Negotiations for renewal of contract will commence 60 days prior to 30th June 1946. If impossible to reach an agreement on extension of duration of contract, the matter will be referred to the respective governments for settlement and the C.I.E.L. guarantees not to stop supply to France till the two governments shall find a mutual agreement.

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- (3) The quantity of electricity supplied in any one month shall not exceed the following amount :

- (a) Five thousand (5,000) KW of maximum demand.
- (b) Two millions five hundred thousand (2,500,000) kWhrs measured at the point of supply at San Dalmazzo power plant, during the period of time from 15 December to 15 March and during the months of July, August and September.

Three millions (3,000,000) kWhrs during remaining 6 months of the year measured at point of supply at S. Dalmazzo power plant.

- (4) The electric power for MENTON shall be supplied at pole No. 86 of the CIELI line at the frequency of 50 cycles/sec with a pressure of 30,500 volts with a tolerance of plus 10% and will be measured at the San Dalmazzo power plant on the generating circuit on about 5,000 volts.

The power sent to FONTAN and SAORGE will be supplied at the power plant of FONTAN and will be metered at the San Dalmazzo plant also on the generating circuit on 5,000 volts.

- (5) All the above-mentioned power, supplied and metered - shall be billed monthly at the following basic rates :

L. 0,273/kWh for the first 165 hours of the month
 L. 0,234/kWh " " following 85 hrs of the month
 L. 0,1625/kWh " all over 250 hours of the month

- (6) In order that the CIELI (Italy) may meet the above conditions and maintain a continuous supply of power to France it is necessary that the French Authorities return to them the full control and operation of the generating stations and transmission system which have recently been under French control.

- (8) While everything possible will be done by the Italian Electric Company to maintain supplies to France, it is understood that in case of damage or breakdown to machinery of plant or transmission line, the supply of power shall be interrupted for a period of time strictly necessary for reparations to machinery or line. Besides this & in cases necessitating the rationing of power in Lir

the "Energie Industrielle" shall be rationed to the same extent fully as the other similar customers of CIELI with the exception that the power will not be reduced below 3500 KW. 132

- (9) The tax on electric energy, assumed in Italy by the customer - as far as it shall be necessary to apply it in this case - as well as the customs-tax (eventually asked for by the French) - shall be supported (paid) by the "Energie Industrielle" France.

It was not possible to reach an agreement on paragraph (7) "Surcharge to basic rates" :

(7) "SURCHARGE TO BASIC RATES" :

- A - CIELI is now preparing an application requesting authority to add surcharge to all electric rates; CIELI contention is that percentage surcharge approved by the proper authorities must be applied equally to all consumers including "L'Energie Industrielle".
- B - "L'Energie Industrielle" contention is that they cannot accept any automatic surcharge in excess of 100% without new discussion.

The conference was closed on 20 July 1945 - 1800 hours.

COMPAGNIA IMPRESE ELETTRICHE LIGURI :
(signed)

Dr. Ing. BALSAMO, Director

L'ENERGIE INDUSTRIELLE :
(signed)

Mr. Paul MILHAU, Directeur Regional

Pour le Service du Controle des D.E.E. (Distributions de l'Energie Electrique) France
(signed)

Mr. EYNARD, Ingenieur des Ponts & Chaussées

(signed)

H.J. ROSSON, Major G.E. 1139

(signed)

E.E. PARKER, Capt.

Declassified E.O. 12356 Section 3.3/NND No.

785017

Ext 451

ABA/el

Ref: 5406/131/30

24 July 1945

MEMORANDUM:

TO : Economic Section

1. Reference is made to memorandum 5406/130/EO, 17 July, referring to a cable from SHARP, 10 July, reference WHGEO S 96508, regarding agreements on electric power between French and Italian companies.
2. It was requested at that time that this office be informed if the report had arrived and what action was being taken in connection with the formation of the agreement referred to.
3. To date no reply has been received and it would be appreciated if you would report on this matter as soon as possible.

A. B. ARNOLDY,

Chief Staff Officer
To Executive CommissionerB/V
✓ 30/7
Noted

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PA

25/7

JF

Declassified E.O. 12356 Section 3.3/NND No.

785017

Ext 451

~~SECRET~~
Confidential

ABA/el

Ref: 5406/130/EC

17 July 1945

MEMORANDUM:

TO : Economic Section

1. Reference is made to a cable from SHAN, 10 July, reference FROEG S 96508, referring to a cable number FX-17388, 4 July, regarding agreements on electric power between French and Italian companies.
2. It was stated that a detailed report was being sent, and it was suggested that prior to deciding on the form of the agreement this report be awaited.
3. It would be appreciated if this office were informed if this report has arrived, and what action is being taken in connection with the formation of the agreement referred to.

A. B. ARNOLDY.

Chief Staff Officer.
To Executive Commissioner.~~SECRET~~
Confidential

BU

21/7

Noted

11/7/45

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Declassified E.O. 12356 Section 3.3/NND No.

785017

5406

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INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Originator's Reference: WIGBY S 96508

Message Centre No: E/9118

Date/Time of Origin: JULY 101650

Date Time Rec'd: JULY 110900

Precedence: ROUTINE

FROM: SMART SIGNED TEDDER CINE SHDS

TO : ARMQ INFO ALCON ROHE, 15 ARMY GEL, 5 ARMY.

JUL 11 1945

SECRET Confidential

SECRET.

Reference EX-17388 dated 4 July 1945.

No further meeting necessary. Detailed report being sent to you.
Suggest await its arrival before deciding on the form of the agreement between French and Italian companies.

DIST

INFOACT - EX COMMISSIONER 2
ECON SEC
INF - CHIEF COMMISSIONER
FILE 2
FLOAT

INFO - ACTION

see M129

SECRET

HEADQUARTERS
11 JUL

(Call Advisory)

2211

785017

Declassified E.O. 12356 Section 3.3/NND No.

5406
TOP SECRET

Copy no 2.

Tel. 489081
Ext. 320

HEADQUARTERS ALLIED COMMISSION
APO 394

EJR/ao

Public Works and Utilities Sub-Commission

Reference : 239/PWU

11 July 1945

Subject : Power Supply to Southeastern France

JUL 11 1945

To : A.F.H.Q. - G-5

1. Reference to FX 14282 cite FH433 signed Alexander.
2. Attached are copies of references and a suggested form of agreement to be entered into between the Compagnie Imprese Elettriche Liguri of Italy and the Energie Industrielle of France.
3. The French ask for a two to two and one half year term of agreement pending rebuilding of bridges and own power plants in France. It is believed with proper initiative and energy that should be accomplished at least in part in about a year. Then in June 1946, there is no reason why another contract can not be negotiated depending on circumstances at that time.
4. The quantity asked by the French, 5,000 KW, represents only about 50% of the capacity of their two plants which were completely destroyed. Approximately 60% of the amount requested is required for the Nice area where a troop camp is established.
5. Both the Finance and Legal Sub-Commissions of ALCOM have passed on this form of agreement. At a conference in Nice on 6 July 1945 representatives of the Italian and French companies were in attendance and agreed on most of the basic items.

For the Chief Commissioner,

E. J. Ristedt

E. J. RISTEDT
Colonel, C.E.
A/Director
P. W. & U. S/C

cc : Executive Commissioner
Economic Section
Regional Commissioner Liguria
Region (Att. Reg. Engineer)

Enclosures :

- copies of cables
- copy of form of contract
- " " reports by Maj. Rosson and Capt. Parker

see M129

4755

TOP SECRET

(Capt. Anderson)

C O N F I D E N T I A L

Memorandum regarding the request of the "Energie Industrielle" (France) for a supply of electricity from "Compagnia Imprese Elettriche Liguri" (Italy).

1) References attached

- (a) Cable SHAEF to AFHQ 26 June 1945 S - 93149
- (b) " " " " 27 " 1945 S - 93654
- (c) " " " " 28 " 1945 EX 14262
- (d) Notes of meeting held at Nice on 29 June 1945 between :

Lt.Col. Albert W. Page (Br)
Lt.Col. Emile O. Meyer (Fr)

address : SHAEF P.C.A. Utilities G-4
APO 757 U.S. Army

and

Capt. Elmo E. Parker (A)
Liguria Region A.M.G.

- (e) Report of Maj. Rosson on conference at Genoa and Nice 1st and 6th of July 1945.

- 2) In view of the urgent need for power in southern France due to lack of coal and damage to the Fontan and Brail Power Stations it is considered that the "Compagnia Imprese Elettriche Liguri" (Italy) should be requested to make an agreement with the "Energie Industrielle" (France) for the supply of electrical power from northern Italy. The following form of agreement is proposed :

FORM OF AGREEMENT

- (1) The "Compagnia Imprese Elettriche Liguri" of Italy will make available to the "Energie Industrielle" of France at the San Dalmazzo Power Plant for a period of approximately twelve (12) months ending 30th June 1946, electrical power in the amount and within the conditions as stated below.

C O N F I D E N T I A L

- (2) The continuance of the supply beyond 30 June 1946 will depend on conditions obtaining at that time, and on the desires of the contracting parties. Factors to be examined at this time will be :
- (a) Amount of power required in northern Italy considering the reactivation of industry.
 - (b) Restoration of generating stations in France.
- (3) The quantity of electricity supplied in any one month shall not exceed the following amount :
- (a) Five thousand (5,000) kilowatts of maximum demand.
 - (b) Three million (3,000,000) kilowatt-hours measured at the point of supply at the San Dalmazzo Power Plant.
- (4) The frequency of the supply will be at 50 cycles per second at a pressure of approximately 40,000 volts measured at the point of supply at the San Dalmazzo Power Plant.
- (5) Delivery of power at 40,000 volts at San Dalmazzo Sub-Station prevents normal operation of the transmission system south of this station. Necessary transforming facilities shall be provided by the Energie Industrielle (France) at a suitable location so that power can be delivered at 70,000 volts prior to such time as the necessary repairs to provide normal conditions have been made by Compagnia Imprese Elettriche Liguri (Italy) to their 70,000 volts transmission system.
- (6) The "Energie Industrielle" (France) will make payment on monthly accounts rendered by the "Compagnia Imprese Elettriche Liguri" (Italy) for all energy taken at the point of supply. The charge made for electric service will be similar to that for bulk supply consumers within the Liguria Area as provided in contract existing between the "Compagnia Imprese Elettriche Liguri" (Italy) and Fratelli Bruzzone Ferriera di Bolza neto.

C O N F I D E N T I A L

- (7) In order that the "Compagnia Imprese Elettriche Liguri" (Italy) may meet the above conditions and maintain a continuous supply of energy to France it is necessary that the French authorities return to them the full control and operation of the generating stations and transmission system which have recently been under French control.
- (8) It is recognized that economic conditions may necessitate an increase in the price of electrical energy. Any changes in price will be the subject of additional discussions by the contracting parties, but such changes shall be effective on the date and similare to percentage increases of other bulk consumers including Fratelli Bruzzo Ferriera di Bolzaneto.
- (9) While everything possible will be done by the Italian electrical company to maintain supplies to France it is understood that in the case of breakdown to plant or transmission line or for any other cause necessitating the rationing of power produced at the San Dalmezzo station, the French authorities will be requested to share in an equal amount with that of the Italian area affected.

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COPY

S-93654

June 271830

E/7108

June 280930

ROUTINE

FROM: SHAFT MAIN CITE PAGES

TO : AFHQ, INFO ALCON FOR STONE, 15th ARMY GROUP FOR GRUENTHER, 5th ARMY FOR
CRITTENBERGER

CONFIDENTIAL

CONFIDENTIAL

Reference your FL-9782623 June 1945.

Colonels MEYER and PAGE this HQ, arriving NINE airfield Friday afternoon.
Can you send representatives to discuss French-Italian interchange of electric
energy? French authorities will attend.

DIST

INFO-ACTION ECON SEC
INFO CHIEF COMMISSIONER
FILE 2
FLOAT

4751

COPY

HEADQUARTERS
LIGURIA REGION
ALLIED MILITARY GOVERNMENT
APO 394

2 July 1945

Subject: Allocation of electricity
to France from Italy

To : PUBLIC WORKS AND UTILITIES SUB-COMMISSION
HQ ALLIED COMMISSION - APO 394 - U.S. ARMY

1. In Nice (France) on 29 June 1945 a meeting was held to discuss the allocation of Italian-generated-electricity to France. Present were:

Lt.Col. A.W. Page	- SHARP
Lt.Col. Emile C. Meyer	- SHARP
Capt. Elmo E. Parker	- AMG, Liguria.

2. Capt. Parker had been instructed by Col. Jordan, Executive Officer, Liguria Region, to meet Lt.Cols Meyer and Page.

3. Lt.Col. Meyer stated that the French wanted an allocation of five thousand kilowatts of electricity from Italy. Two thousand kilowatts of this amount will supply the Menton area, and the remainder would service the Nice area.

4. Since Capt. Parker was not acquainted with the overall Italian electricity picture, which will soon involve the exportation of a large quantity of power from north to central Italy, he did not feel in a position to state that five thousand kilowatts could be exported to France. He did state that two thousand kilowatts would probably be available and added that this quantity would compensate for the supply

..//..

- 2 -

formerly received from the two French plants Breil and Fontenay. These plants have been destroyed.

3. The SHAEF Officers stated that any allocation to France would necessitate the use of a 70/30 KV transformer, since the Italian transmission voltage is 70 KV and the French, 30 KV. The transformer would probably be located in the Menton area.

6. Lt.Col. Meyer stated that he would ask for an allocation of coal for the Menton Steam Plant if two thousand kilowatts (2,000) were the maximum the French should have. He added that if the coal were made available the Menton area could be served without assistance from Italy and further said that any excess could be supplied to the Nice area. The capacity of the Menton Plant was reported by Lt.Col. Meyer to be approximately three thousand kilowatts (3,000).

7. In the event that not more than thousand kilowatts (2,000) could be supplied to France from Italy, Lt.Cols Meyer and Page asked that Alcom submit through channels to SHAEF a report explaining the overall electricity picture in Italy and showing why the quantity of two thousand kilowatts (2,000) is the maximum power available for France.

ELMO E. PARKER
Captain Inf.
Electrical Officer.

Tel. 478906

HEADQUARTERS ALLIED COMMISSION
APO 394
Public Works and Utilities Sub-Commission

HJR/ac

MEMORANDUM

9 July 1945

Subject : Report of Major H.J. Rosson on trip
to Genoa (Italy) and Nice (France)

- 1) Purpose of trip was to discuss form of power contract with officials of Italian and French companies, and prepare a tentative agreement acceptable to both parties.

- 2) Genoa conference - 4 July 1945, 1100 hours

Present : Maj. H.J. Rosson - P.W. & U. Sub-Commission
Capt. Elmo E. Parker - Liguria Region
Eng. C.P. Durnovo - " "
Eng. Balsamo - Director CIELI

(a) Balsamo agrees to furnish transformer connections to deliver power at approximately 40,000 volts, and will sell power (5,000 KW) to French at terms applicable to bulk consumers in Liguria area.

(b) Suggests that contract contain provision whereby additional price will be paid if it is necessary to operate thermal stations, or that amount of power supplied will be reduced in proportion to percentage of thermal power to total power.

- 3) Nice conference - 6 July 1945, 1000 hours

Present : Maj. H.J. Rosson
Capt. E.E. Parker
Mr. Louis Lesieux (Chief Eng. Nice Area
French Government)

Mr. Emilian Eynard - Assistant
Mr. Paul Milhan - Director "L'Energie Industrielle"

(a) French officials objected to proposed term of contract (1 Jan. 1945). Contended that 2 to 2½ years required to rebuild French plants destroyed by Germans and Italians. Desire to settle matter for longer period when AMG is still in position to act as arbitrators.

- (b) Objection to rationing. Contend that French are already rationed approximately 50% when power is limited to 5,000 KW and 3,000,000 kWhrs per month. Also object to fuel clause (desired by Italians) during low water periods.
- (c) French have completed repairs to transmission line from San Dalmazzo to branch serving French territory. Transformer connections have also been revised to provide power at suitable voltage.
- (d) Agreeable to construct price suggested by us, and also agree upward revision if rate increases necessary in Liguria.
- (e) Chief concern of French is that power supply will be discontinued when plant is turned over to Italians on 10 July. Assured them this would NOT happen.

4) Turin

Conference with Col. Birchett - 7 July 1945.

Pointed out that supply to French necessary because :

- (a) Old steam plant at Menton NOT in operating condition even if coal were available.
- (b) Entire Menton area has 50 cycle supply through one old Rotary converter which is liable to fail at any time.
- (c) Considerable power required to supply American needs in Riviera area. On 6th July approximately 11,000 troops were housed in Nice Hotels.

5) General

Final contract will have to be negotiated between representatives of contracting parties. Suggested conference between directors of the companies at San Remo or other suitable place. Agreed. Capt. Parker will arrange for permits and will attend meeting accompanied by Italian company officials.

Verbally reported results of meetings to Regional Engineer Lee and Brigadier Carr (Liguria). Capt. Parker to confirm in written report.

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Policy question involved is continuation of supply to French after Italians assume control. Col. Lee authorized Capt. Parker to spend the day of 10th July at the San Dalmazzo plant to assure maintenance of supply. Capt. Parker will do this, and will be accompanied by an executive of CIELI.

IV Corp AMG (Col. Walker) should also be advised by AC that all necessary precautions should be taken to prevent interruption of supply after July 10.

Before contract is finally signed by French and Italians it will probably be necessary for AMG or this Headquarters to act as arbitrators.

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