

Decision No. ~~13208~~ ¹³⁴³⁸

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
 SOUTHERN CALIFORNIA EDISON COMPANY,)
 a corporation, for an order of the)
 Railroad Commission of the State of)
 California authorizing it to issue)
 and sell 20,000 shares of its common)
 capital stock of the par value of)
 \$100.00 per share)

ORIGINAL

Application Number 9802

Roy V. Reppy and George E. Trowbridge
 by George E. Trowbridge, for Applicant.

BY THE COMMISSION :

OPINION

Southern California Edison Company asks permission to issue and sell at not less than \$101.00 per share 20,000 shares (\$2,000,000.00) of its common capital stock and to consolidate the proceeds with the proceeds received from the sale of stock heretofore authorized by the Commission and to use such proceeds to reimburse the treasury for moneys expended to retire at par, or less, such of its outstanding seven per cent debenture bonds as are not exchanged for its seven per cent cumulative preferred stock, and/or to reimburse its treasury on account of moneys expended in retiring \$250,000.00 of Shaver Lake Lumber Company bonds, and/or to finance the cost of extensions, additions and betterments to its plants and properties.

Southern California Edison Company has an authorized capital stock of \$250,000,000.00 divided into \$4,000,000.00 of five per cent original preferred stock, \$60,000,000.00 of Series "A" seven per cent preferred stock, \$40,000,000.00 of Series "B" six per cent preferred stock, \$21,000,000.00 of Series "C" five per cent preferred stock and \$125,000,000.00 of common stock. As of January 31, 1924 the company reports \$54,573,672.00 of stock outstanding

in the hands of the public, consisting of \$4,000,000.00 of original preferred stock, \$9,871,100.00 of seven per cent preferred stock and \$40,702,572.00 of common stock. In addition, the company reports \$1,664,600.00 of preferred stock and \$6,205,300.00 of common stock subscribed but unissued.

The Commission has heretofore authorized applicant to issue its seven per cent preferred stock in exchange for the seven per cent serial debentures on a par for par, or better, basis, or to use proceeds from the sale of common and preferred stock heretofore authorized to reimburse the treasury on account of moneys expended or to be expended in retiring at par or less, such of the debentures as are not exchanged for stock. The debentures originally consisted of a total issue of \$8,000,000.00, dated January 15, 1919, bearing interest at 7 per cent per annum and maturing in equal annual installments of \$1,000,000.00 on the 15th. day of January of each of the years 1921 to 1928 inclusive. At present it appears that \$3,914,400.00 of debentures are outstanding.

Applicant now desires permission to use a portion of the proceeds from the sale of the stock herein authorized to reimburse its treasury on account of moneys expended in retiring debentures. It further desires permission to reimburse its treasury on account of \$250,000.00 expended in retiring on January 15, 1924, \$250,000.00 of Shaver Lake Lumber Company five per cent bonds. Shaver Lake Lumber Company originally issued \$1,150,000.00 of bonds, the payment of which the Commission by Decision Number 6496, dated July 16, 1919, authorized Southern California Edison Company to guarantee. Heretofore \$1,029,000.00 of bonds have matured and been paid leaving \$121,000.00 outstanding. The \$121,000.00 of bonds will mature on January 15, 1925.

Applicant also desires permission to use the proceeds from the sale of its stock to finance the cost of extensions, additions and betterments to its plants and properties. In Exhibit II

filed in Application Number S591, applicant submitted its estimated 1923 construction expenditures. Up to November 30, 1923 the company reports that it has expended \$7,078,028.07 for new construction for which it has not been reimbursed with proceeds from the sale of stock or bonds. In Exhibit "D" filed in this proceeding applicant estimates its construction expenditures for 1924 at \$26,288,000.00 consisting of the following :-

Big Creek Construction :-

Power Houses No's. 1 and 2	\$ 2,100,000.
Florence Tunnel	6,179,000.
Huntington-Shaver Tunnel	700,000.
Protecting Huntington Lake Dams	250,000.
Florence Lake	1,000,000.
Interest Shaver Site	159,000.
Engineering for future development	100,000.
Steam gauging	60,000.
Clearing Huntington Lake	2,000.
Power House No. 3	60,000.

Total \$10,610,000.

Deduct amounts expended prior to 1924 and included in above items	<u>872,000.</u>
---	-----------------

Total Big Creek Construction \$ 9,738,000.

Remodeling steam plants 3,000,000.

Transmission 220 K.V. 2,550,000.

Miscellaneous system betterments 11,000,000.

Total \$26,288,000.

The testimony shows that some of the 1924 estimated expenditures may be deferred until 1925.

ORDER

Southern California Edison Company, having applied to the Railroad Commission for permission to issue and sell \$2,000,000.00 of its common capital stock, a public hearing having been held before Examiner Fankhauser and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue and sale is reasonably required by applicant and that the expenditures herein authorized are not in whole or in part reasonably

chargeable to operating expense or to income,

IT IS HEREBY ORDERED that SOUTHERN CALIFORNIA EDISON COMPANY be, and it is hereby, authorized to issue and sell for cash at not less than \$101.00 per share 20,000 shares (\$2,000,000.00 par value) of its common capital stock and to consolidate the proceeds obtained from the sale of such stock with the proceeds obtained from the sale of the stock heretofore authorized by the Commission, and to use such proceeds to reimburse its treasury for moneys expended to retire at par or less such of its outstanding seven per cent debentures as are not exchanged for its seven per cent preferred stock and/or to reimburse its treasury on account of an expenditure of \$250,000.00 to retire \$250,000.00 face amount of Shaver Lake Lumber Company's bonds which matured January 15, 1924, and/or to finance in part such cost of the extensions, additions and betterments referred to in Exhibit No. II filed in Application No. 8591 or in Exhibit "D" filed in this proceeding, as is properly chargeable to capital account under the system of accounts prescribed or adopted by this Commission, and not financed through the issue of stock or bonds heretofore authorized by the Commission, be financed through the issue of said stock.

The authority herein granted is subject to further conditions as follows:-

1. Applicant shall file with the Commission during 1924 a monthly report showing in detail the amount expended for extensions, additions and betterments.
2. Applicant shall keep such record of the issue, sale and delivery of the stock herein authorized and of the disposition of the proceeds as will enable it to file on or before the 25th day of each month a verified report, as required by the Railroad Commission's General Order Number 24, which order in so far as applicable, is made a part of this order.

3. The authority herein granted will become effective upon the date of this order, but will expire on October 15, 1924.

DATED at San Francisco, California, this 28th day of February, 1924.

C. Healey

H. K. Bounding

Iwing Martin

Ernest Shore

J. T. Whittelsey
Commissioners.