

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

In the Matter of the Application of)
SOUTHERN CALIFORNIA EDISON COMPANY,)
a corporation, for authority to)
issue and sell one hundred thousand) Application Number 10611
(100,000) shares of its seven per)
cent preferred stock, Series "A".)

Roy V. Reppy, for Applicant.

BY THE COMMISSION :

OPINION

In the above entitled matter Southern California Edison Company asks permission to issue and sell, at not less than par, 100,000 shares of its Series "A" seven per cent preferred stock of the aggregate par value of \$10,000,000.00, for the purpose of reimbursing its treasury because of expenditures for the construction, completion, extension and improvement of its facilities.

Southern California Edison Company has an authorized capital stock of \$250,000,000.00, divided into \$4,000,000.00 of original preferred stock, \$121,000,000.00 of preferred stock and \$125,000,000.00 of common stock. The preferred stock is in three series and consists of \$60,000,000.00 of Series "A" seven per cent cumulative preferred stock, \$40,000,000.00 of Series "B" six per cent cumulative preferred stock and \$21,000,000.00 of Series "C" five per cent cumulative preferred stock. For the terms of preference of all preferred stock reference is made to Decision Number 13395, dated April 10, 1924 in Application Number 9942 (Vol. 24, Opinions and Orders of the Railroad Commission of California, page 763).

As of September 30, 1924 the company, in Exhibit "1", reports the amount and kinds of stock outstanding as follows :-

Original preferred stock	40,000 shares, par value	\$ 4,000,000.
Series "A" 7% preferred stock	118,845 shares, par value	11,884,500.
Series "B" 6% preferred stock	99,328 shares, par value	9,932,800.
Common stock	522,782 shares, par value	52,278,200.
Subscribed preferred stock	18,619 shares, par value	1,861,900.
Subscribed common stock	<u>55,630 shares, par value</u>	<u>5,563,000.</u>
Total	855,204 shares, par value	<u>\$85,520,400.</u>

The outstanding common stock, \$52,278,200.00 includes \$10,836,628.00 owned by subsidiary corporations, leaving \$41,441,572.00 of common stock net outstanding. The company's bonded debt, as of the same date, September 30, 1924, is reported as \$114,759,100.00, its notes payable as \$5,502,000.00 and its current liabilities as \$5,222,429.12.

Applicant is now asking permission to issue an additional \$10,000,000.00 of Series "A" 7 per cent preferred stock for the purpose of financing the cost of additions and betterments. In Exhibit "4" filed in Application Number 9942, the company reported uncanceled construction expenditures as of February 29, 1924 of \$3,434.99. In this application, in Exhibits "5" and "6" it reports actual expenditures for construction from March to September 1924, inclusive, of \$16,306,364.02 and estimated expenditures for the three months October to December, 1924 inclusive of \$8,104,000.00, the three items aggregating \$24,413,799.01. From this total the company deducts \$10,847,436.22 received from the sale of stock authorized in former proceedings, leaving a balance of \$13,566,362.79 to be financed in part with the proceeds to be received from the stock now applied for. The record herein indicates that there is a balance of \$4,539,942.66 to be received from the sale of stock heretofore authorized, which amount will also be available to finance construction expenditures. Not all of this will be collected during the current year. It is of record that applicant intends to use some of the stock proceeds to finance 1925 construction expenditures. The company has agreed to file a copy of its 1925 budget. Upon the receipt of such budget the Commission will give further consideration to the request of the company for permission to use some of the stock proceeds to finance expenditures reported in such budget.

The testimony shows that the \$10,000,000.00 of stock will first be offered to the present stockholders at \$102. per share and thereafter to the general public at \$105. per share if paid in full in cash, and at \$106. per share under an installment payment plan. The order in this matter will authorize the sale of the stock at not less than \$102. per share.

O R D E R

Southern California Edison Company having applied to the Railroad Commission for permission to issue and sell 100,000 shares of its seven per cent Series "A" preferred stock of the aggregate par value of \$10,000,000.00, a public hearing having been held before Examiner Frankhauser, and the Railroad Commission being of the opinion that the money, property or labor to be procured or paid for by such issue is reasonably required by applicant and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED that Southern California Edison Company be, and it is hereby, authorized to issue and sell on or before December 31, 1925 at not less than \$102. a share, 100,000 shares of its Series "A" seven per cent preferred stock of the aggregate par value of \$10,000,000.00, and to use the proceeds to reimburse its treasury and to finance in part the cost of the additions and betterments referred to in its exhibits numbers 5 and 6 filed in this proceeding or for such other purposes as the Railroad Commission will authorize by a supplemental order or orders.

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

1. Only such of the expenditures, referred to herein as are not otherwise capitalized and as are properly chargeable to capital account under the classifications of accounts prescribed by the Railroad Commission, may

be financed with the proceeds obtained from the sale of the stock herein authorized.

2. Applicant may, if it so desires, consolidate the proceeds to be received from the sale of the stock herein authorized with the proceeds received or to be received from the sale of the Series "A" stock heretofore authorized to be issued.
3. During 1925 applicant shall file with the Commission monthly reports showing in detail the amounts expended for extensions, additions and betterments.
4. 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.
5. The authority herein granted will become effective upon the date of this order.

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

C. C. Harvey
H. K. Brundage
James Martin
Eugene D. Shore
J. T. Whittier
Commissioners.