

percent preferred stock and \$125,000,000.00 of common stock. Of the authorized amounts there was outstanding in the hands of the public on March 31, 1925, \$4,000,000.00 of the original preferred stock, \$22,145,700.00 of the Series "A" seven percent preferred stock, \$10,000,000.00 of the Series "B" six percent preferred stock and \$42,158,672.00 of the common stock; a total of \$78,304,372.00. In addition, it is reported that on the same date \$1,430,500.00 of the Series "A" seven percent preferred stock and \$5,369,500.00 of the common stock was subscribed for but unissued. For the terms of preference of the preferred stock, reference is made to Decision No. 15395, dated April 15, 1924 in Application No. 9942 (Vol. 24, Opinions and Orders of the Railroad Commission of California, page 763.)

As of March 31, 1925, applicant reports its assets and liabilities as follows:-

ASSETS:

Fixed capital	\$195,215,455.50
Sinking and other funds	300,013.20
Other investments	3,822,546.53
Subscribers to capital stock	4,423,721.03
Cash	1,844,006.32
Notes receivable	172,563.87
Accounts receivable	1,917,771.71
Materials and supplies	5,302,116.33
Other current assets	36,235.01
Deferred charges	8,430,729.02
Discount on stock	529,856.62

Total assets \$221,995,015.14

LIABILITIES:

Capital stock	\$ 78,304,372.00
Stock subscriptions	6,800,000.00
Funded debt	110,531,700.00
Debentures	2,937,300.00
Notes payable	6,555,000.00
Accounts payable	1,629,096.46
Accruals	1,807,612.76
Deferred credits	1,180,905.77
Reserve for depreciation	9,352,186.79
Other reserve	219,811.35
Appropriated surplus	566,718.79
Surplus	2,110,311.22

Total liabilities \$221,995,015.14

The company is now asking permission to issue additional stock to finance the cost of construction work. In a former proceeding, Application No. 10611, applicant reported expenditures for new construction as of September 30, 1924, against which no securities had been issued, at \$5,462,362.79. In these applications it reports that since September 30, 1924 and up to February 28, 1925, it has expended \$10,851,010.80 for construction and \$121,000.00 to retire a like amount of Shaver Lake Lumber Company's bonds that became due on January 15, 1925. Adding these expenditures to the \$5,462,362.79 results in a total of \$16,434,373.59. From this total, applicant deducts \$10,550,680.00, said to have been received from the sale of stock heretofore authorized by the Commission and used to finance construction expenditures made subsequent to September 30, 1924, leaving a balance of \$5,883,693.59, which is reported to represent capital expenditures, as of February 28, 1925, against which no securities have been issued.

In addition to reimbursing its treasury on account of the expenditures of \$5,883,693.59, applicant proposes to use the proceeds from the sale of its stock to finance in part its estimated construction expenditures during 1925. In Exhibit No. 7, filed in Application No. 10611, it reported its estimated construction expenditures for the year at \$25,000,000.00, which amount is summarized and segregated as follows:-

Hydro-development-Big Creek	\$7,535,000.
Steam plants-Stone and Webster contracts	3,965,000.
Total production.....	11,500,000.
220 K.V.A. Transmission	1,500,000.
Total production and transmission	13,000,000.
Miscellaneous system betterments	12,000,000.
Total estimated expenditures.....	<u>\$25,000,000.</u>

In its Exhibits No. 5 and No. 6 applicant reports construction expenditures of \$234,062.14 which are not included in its annual budgets.

It is of record that a portion of the reported expenditures will be financed with proceeds to be received from the sale of common and Series "A" preferred stock heretofore authorized by the Commission, the foregoing balance sheet showing \$4,423,721.03 receivable from the sale of stock. The testimony shows that not all of the \$4,423,721.03 will be collected during 1925. The sale of additional stock is necessary.

Applicant asks permission to sell its Series "A" preferred stock at not less than par and the Series "B" stock at not less than 92 percent of par value. By Decision No. 14297, dated November 28, 1924, in Application No. 10611, the Commission authorized applicant to issue and sell \$10,000,000.00 of its Series "A" preferred stock at not less than 102 percent of par value. It appears that applications have been filed with the company to purchase about \$1,100,000.00 of stock in excess of the amount authorized, and that the company proposes to fill these applications with the stock now applied for. It is of record, however, that the \$1,100,000.00 of stock has been subscribed for at \$105. and \$106. a share and that the company intends to advance the price of its Series "A" stock to \$107. a share, if paid for in full in cash, and to \$108. if purchased under installment contracts. The order herein will authorize the sale of the Series "A" stock at not less than \$105. a share.

ORDER

Southern California Edison Company, having applied to the Railroad Commission for permission to issue \$1,500,000.00 of its Series "A" seven percent preferred stock and \$10,000,000.00 of its Series "B" six percent preferred 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 through such issue and sale is reasonably required for the purposes specified herein and that the expenditures for such purposes 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, fifteen thousand shares (15,000) of its seven percent preferred stock of the aggregate par value of \$1,500,000.00, and one hundred thousand shares (100,000) of its six percent Series "B" preferred stock, of the aggregate par value of \$10,000,000.00.

The authority herein granted is subject to the following conditions:-

1. Applicant shall sell the Series "A" preferred stock herein authorized to be issued at not less than \$105. per share and the Series "B" preferred stock at not less than \$92. per share, and may use the proceeds received to reimburse its treasury and to finance in part the cost of the extensions, additions and betterments to which reference is made in the foregoing opinion and pay expenses incurred to sell said stock, provided only such expenditures as are properly chargeable to fixed capital accounts as defined by the Uniform Systems of Accounts prescribed or adopted by the Railroad Commission may be financed with such proceeds; and further, that not more than two dollars per share of stock sold may be used to pay expenses incurred to sell said stock.

2. Applicant may, if it so desires, consolidate the proceeds obtained from the sale of the stock herein authorized to be issued and sold with the proceeds received from the sale of stock, the issue and sale of which has heretofore been authorized by the Commission.
3. 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 No. 24, which order in so far as applicable is made a part of this order.
4. The authority herein granted will become effective upon the date hereof.

DATED at San Francisco, California, this 29th day of April, 1925.

H. A. ...
C. ...
George D. Squires

Commissioners.