

MEM

Decision No 18607

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 four hundred thousand)
(400,000) shares of its preferred)
stock Series "C" five and one half)
percent.)

ORIGINAL

Application No. 13907.

Gail C. Larkin and
Roy V. Reppy, for applicant.

BY THE COMMISSION:

O P I N I O N

In the above entitled matter the Railroad Commission is asked to authorize Southern California Edison Company to issue and sell at not less than \$23.50 per share, four hundred thousand (400,000) shares of its Series "C" five and one half percent preferred stock of the aggregate par value of \$10,000,000. for the purpose of financing the cost of extensions, additions and betterments to its system.

The record shows that the Southern California Edison Company has an authorized capital stock issue of \$250,000,000. divided into 10,000,000 shares of the par value of \$25. each. The following tabulation shows the various classes into which its authorized stock is segregated and the amount of which is outstanding on May 31, 1927:-

<u>CLASS OF STOCK</u>	<u>AUTHORIZED</u>	<u>OUTSTANDING</u>
Original preferred	\$4,000,000.	\$4,000,000.
Preferred Series "A" seven percent	30,000,000.	25,537,700.
Preferred Series "B"	50,000,000.	40,630,200.
Preferred Series "C" 5-1/2 percent	20,000,000.	-
Preferred Series "D" 5 percent	21,000,000.	-
Common	125,000,000.	56,991,775.
	<u>\$250,000,000.</u>	<u>\$127,159,675.</u>

In addition, the company reports as of the same date \$3,371,175. of preferred Series "A" and Series "B" and \$3,279,300. of common stock subscribed but not yet issued, making a total issued or subscribed stock of \$133,810,015.00 as of May 31, 1927. This amount, however, includes \$10,836,628.00 of common stock held by Pacific Light and Power Corporation and controlled by applicant through stock ownership.

The testimony shows that the company is in need of additional funds to pay in part the cost of extensions, additions and betterments installed or to be installed during the remainder of the current year. In Exhibit No. 6 it reports construction expenditures against which no securities have been issued as of May 31, 1927 in the sum of \$1,869,742.01. In arriving at this amount it took into consideration its construction expenditures to May 31, 1927 and the proceeds from sale of securities to June 30, 1927. For the seven months ending December 31, 1927 applicant in Exhibit No. 7 reports actual and estimated construction expenditures of \$28,200,000. The detail of these expenditures are set forth in the company's 1927 budget filed as Exhibit No. 4 in Application No. 13438. The testimony shows that the company on July 2nd had about \$2,500,000. of cash on hand available for construction purposes and that it would be able to collect about \$500,000.00 from the sale of common stock and \$2,000,000.00 from the sale of six percent preferred stock, the issue of which the Commission heretofore authorized. To obtain additional funds the company asks permission to issue \$10,000,000.00 (400,000 shares) of Series "C" five and one half percent preferred stock.

Applicant asks permission to consolidate the proceeds obtained from the sale of the \$10,000,000.00 of five and one half percent preferred stock with the proceeds from the sale of all other stock, both common and preferred, heretofore authorized by the Commission to be issued and sold, and use such proceeds to finance the extensions, betterments and additions referred to herein. This request will be

granted.

ORDER

Southern California Edison Company having applied to the Railroad Commission for permission to issue \$10,000,000.00 of 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 of stock 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, and that this application should be granted as herein provided, therefore,

IT IS HEREBY ORDERED that Southern California Edison Company be, and it hereby is, authorized to issue and sell on or before December 31, 1927 at not less than \$25.50 per share, 400,000 shares of its preferred stock, Series "C" five and one half percent of the aggregate par value of \$10,000,000.00.

IT IS HEREBY FURTHER ORDERED that the Southern California Edison Company be, and it is hereby, authorized to use an amount of the proceeds from the sale of the stock herein authorized not exceeding one dollar (\$1.00) per share of stock sold to pay commissions and expenses incident to the sale of such stock, and to consolidate the remaining proceeds and such portion of the one dollar (\$1.00) not needed for commissions and expenses incident to the sale of the stock, with the proceeds received or to be received from the sale of stock heretofore authorized to be issued, and to use such consolidated proceeds to finance in part such cost of the extensions, betterments and additions referred to in Exhibit No. 6 and Exhibit No. 7, as are properly chargeable to fixed capital account under the uniform system of accounts prescribed or adopted by the Railroad Commission.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof, and that Southern California Edison Company 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 insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 13th day of July, 1927.

Emmerts

Chesney

Leon Whitall

Commissioners.