

Decision No. 18787

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 \$30,000,000.00 face )  
value of its refunding mortgage )  
gold bonds series of 5's, due 1952.)

Application No. 14044.

Roy V. Reppy, for applicant.

BY THE COMMISSION:

O P I N I O N

In this application Southern California Edison Company asks permission to issue and sell at not less than ninety-seven percent of their face value plus accrued interest \$30,000,000.00 of its refunding mortgage gold bonds, series of 5's, due 1952, and to use the proceeds for the purposes hereinafter stated. The company also asks permission to amortize over the life of the new bonds the unamortized bond discount and expense applicable to the \$26,500,000.00, series of 6's, due 1943.

It is of record that the company has called for redemption on October 1, 1927, at 105, its \$26,500,000.00, series of 6's, due 1943. The aggregate cost of redeeming the bonds will be \$27,825,000.00. Of the new bonds which the company intends to issue, \$26,500,000.00 will be certified in substitution of the bonds it will pay on October 1, 1927 and \$3,500,000.00 against

additions and betterments. In this connection the testimony, Exhibit No. 4, shows that up to the end of July 1927 it had expended for capital purposes the sum of \$3,554,995.28 which has not been paid through the issue of stock or bonds. The proceeds obtained from the sale of the \$30,000,000.00 of bonds will be used to pay the \$26,500,000.00 of series of 6's due 1943 and reimburse the company's treasury because of income expended for additions and betterments.

Upon the completion of the proposed financing the company will have outstanding \$135,059,700.00 of bonds, consisting of the following:-

Refunding mortgage gold bonds:-		
Series of 5's, due 1951 -	\$55,000,000.	
Series of 5's, due 1952 -	<u>\$30,000,000.</u>	\$85,000,000.
General & Refunding mortgage bonds:-		
5-1/2's, due 1944 - - - -	\$10,225,000.	
5's, due 1944 - - - - -	10,000,000.	
5's, due 1939 - - - - -	<u>13,360,000.</u>	33,585,000.
Pacific Light & Power Corp., 5's, due 1951		5,796,000.
Pacific Light & Power Co., 5's, due 1942		5,759,000.
Mentone Power Co., 5's, due 1931		37,000.
Mt. Whitney Power & Elec. Co., 6's, due 1939		3,218,000.
Santa Barbara Gas & Elec. Co., 5's, due 1941		690,700.
Debentures, 7's, due 1928		<u>974,000.</u>
	Total	<u>\$135,059,700.</u>

The bonds applicant proposes to issue will be secured by its refunding mortgage dated as of October 1, 1923. The new bonds will be dated September 1, 1927, mature September 1, 1952, bear interest at the rate of five percent per annum and be called at a premium of five percent for the first fifteen years after date and thereafter at a premium of one half of one percent less each year of the remaining life. The company asks permission to sell the bonds at ninety-seven and accrued interest or on a basis of 5.22 percent.

Applicant estimates that the substitution of the new bonds for the \$26,500,000.00 of bonds, series of 6's, now outstanding, which are secured by the same mortgage, will result in savings in annual fixed charges of \$96,226.64. Considering interest only the annual savings will amount to \$155,700.00.

#### O R D E R

Southern California Edison Company having applied to the Railroad Commission for permission to issue \$30,000,000.00 of bonds, 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 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 expense or to income,

IT IS HEREBY ORDERED as follows:-

1. Southern California Edison Company may issue and sell, on or before December 31, 1927, at not less than ninety-seven percent of face value plus accrued interest, \$30,000,000.00 of its refunding mortgage gold bonds, series of 5's, due 1952.
2. Southern California Edison Company may use the proceeds, other than accrued interest, obtained from the sale of \$26,500,000.00 of said bonds to pay in part the cost redeeming \$26,500,000.00 of refunding mortgage gold bonds, series of 6's, due 1951.
3. Southern California Edison Company may use the proceeds, other than accrued interest, obtained from the sale of \$3,500,000.00 of said bonds, to reimburse

its treasury on account of moneys expended for the construction, completion, extension and improvements to its facilities referred to in Exhibit No. 4 filed in this proceeding.

4. The accrued interest obtained from the sale of the \$30,000,000.00 of bonds herein authorized may be used for general corporate purposes.
5. Decision No. 11353, dated December 13, 1922, is hereby modified so as to permit Southern California Edison Company to amortize the remaining unamortized discount on the \$26,500,000.00 of bonds, series of 6's, to be refunded, and the premium which must be paid upon the redemption of said bonds, on or before September 1, 1952.
6. Southern California Edison Company shall keep such record of the issue of the bonds 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.
7. The authority herein granted will become effective when applicant has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is \$2,250.00.

Fee \$ 2,250<sup>00</sup> DATED at San Francisco, California, this 13th

RAILROAD COMMISSION  
day of September, 1927.  
SEP 13 1927  
*[Signature]*

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4. *[Signature]*

Fee # 24516-1011