

ORIGINAL

Decision No. 10052

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.)

Application No. 14187.

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 \$23.50 a share, 400,000 shares (par value \$25.00) of its Series "C" five and one-half percent preferred stock of the aggregate par value of \$10,000,000.00. It further asks permission to use not exceeding \$1.00 per share of stock sold to pay commissions and selling expenses and to consolidate the remaining proceeds with the proceeds received, or to be received, from the sale of stock heretofore authorized to be issued and sold, and to use such consolidated proceeds to finance the cost of extensions, betterments and additions.

Southern California Edison Company has an authorized capital stock of \$250,000,000.00, divided into 10,000,000 shares of the par value of \$25.00 each. The various classes of stock and

the amount of each class outstanding on September 30, 1927, is reported as follows:-

<u>Class of Stock</u>	<u>Authorized</u>	<u>Outstanding</u>
Original preferred	\$ 4,000,000.	\$ 4,000,000.
Preferred, Series "A" - 7%	30,000,000.	25,554,100.
Preferred, Series "B" - 6%	50,000,000.	47,322,825.
Preferred, Series "C" - 5 $\frac{1}{2}$ %	20,000,000.	1,779,275.
Preferred, Series "D" - 5%	21,000,000.	-
Common	125,000,000.	59,427,475.
<u>Total</u>	<u>\$250,000,000.</u>	<u>\$138,083,675.</u>

The reported outstanding common stock includes \$10,836,628.00 held by Pacific Light and Power Corporation and controlled by applicant through ownership of that company's stock, leaving net outstanding of \$48,590,847.00.

In addition to the amounts outstanding applicant reports stock subscribed for, but unissued, as of September 30, 1927, as follows:-

Preferred, Series "A"	\$28,000.
Preferred, Series "B"	2,595,125.
Preferred, Series "C"	680,575.
Common.	2,739,150.
Total subscribed	<u>\$6,042,850.</u>

The company now reports the necessity of issuing additional stock to finance in part its 1927 and 1928 construction expenditures. In this connection it is reported that its total expenditures, as of September 30, 1927, against which no securities have been issued, amount to \$754,171.31 and it is estimated that expenditures for the remaining three months of the year will approximate \$9,000,000.00, and for the year 1928, \$32,091,000.00, the three items aggregating \$41,845,171.31. The 1927 expenditures have been described in some detail in the company's budget filed as Exhibit "G" in Application No. 13602. In addition to the items set forth in the budget, applicant now reports in this proceeding, (Exhibit "7"), that it has found it necessary to expend \$180,176.23 for purposes in addition to, but not included among the items in the budget.

The 1928 estimated expenditures are set forth in a copy of the 1928 budget filed in the present proceeding as Exhibit "6", and summarized, are as follows:-

Big Creek construction	\$5,982,000.
220 K.V. lines and stations.	2,122,000.
New steam plants	5,712,000.
Auxiliary units - Long Beach steam plant	275,000.
Civil engineering department	50,000.
Rights of way.	1,000,000.
Miscellaneous system betterments	16,950,000.
Total	<u>\$32,091,000.</u>

To meet, in part, the total expenditures, made or estimated, applicant reports amounts due on September 30, 1927, on account of the unpaid balances on stock subscription, of \$3,724,561.64. It appears that of the stock, of all classes, heretofore authorized, there remained about \$10,000,000.00 unsold, so that the moneys which the company will collect from stock subscribers, or which it may realize from the sale of the stock heretofore authorized to be issued and sold, but not yet sold, will not be sufficient to finance the expenditures referred to herein. The issue of the additional \$10,000,000.00 of stock herein applied for seems necessary and the order following accordingly will permit such issue. Such order, however, will allow the payment of not exceeding fifty cents per share for commissions and other expenses incident to the sale of the stock.

ORDER

Southern California Edison Company having applied to the Railroad Commission for permission to issue and sell \$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 by such

issue is reasonably required for the purposes herein specified 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 hereby is, authorized to issue and sell, on or before December 31, 1928, at not less than \$23.50 a share, 400,000 shares of its five and one half percent preferred stock, Series "C", of the aggregate par value of \$10,000,000.00.

IT IS HEREBY FURTHER ORDERED that Southern California Edison Company be, and it hereby is, authorized to use an amount of the proceeds not exceeding fifty cents 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 fifty cents not needed for commissions and expenses incident to the sale of 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, additions and betterments referred to in Exhibit "G" in Application No. 13602 and in Exhibits "6" and "7" filed in this proceeding as is properly chargeable to fixed capital accounts under the uniform system of accounts prescribed by the Railroad Commission.

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

DATED at San Francisco, California, this 21st day of November, 1927.

Ernest Scott
Al Seney
Leon Whidell
Don S. Rutter
M. J. Van
Commissioners.