

LBM

Decision No. 20782.

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 256,000 shares of its common)
capital stock, of the total par value)
of \$6,400,000.00.)

ORIGINAL

Application No. 15351

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

BY THE COMMISSION:

OPINION

In this proceeding the Railroad Commission is asked to enter its order authorizing the Southern California Edison Company to issue and sell, at par, 256,000 shares (\$6,400,000.00 par value) of its common capital stock, to its common and/or original preferred stockholders, or their assigns, and to consolidate the proceeds of the sale with the proceeds from the sale of other stock and use the consolidated proceeds for the purposes herein mentioned.

In Exhibit "A" attached to the petition the Southern California Edison Company reports its authorized and outstanding and subscribed capital stock as follows;-

CLASS OF STOCK	AUTHORIZED	OUTSTANDING
Original preferred stock	\$ 4,000,000.	\$ 4,000,000.
Preferred Series A seven percent	30,000,000.	26,073,450.
Preferred Series B six percent	50,000,000.	48,294,475.
Preferred Series C five and one half percent	45,000,000.	25,964,925.
Preferred Series D five percent	21,000,000.	-
Common stock	100,000,000.	66,025,200.
Subscribed preferred stock	-	4,876,075.
Subscribed common stock	-	5,024,150.
Total.....	\$250,000,000.	\$180,318,275.

Of the \$66,025,200.00 of common stock reported outstanding, the company controls through the ownership of Pacific Light and Power Corporation stock \$10,836,628.00, leaving the net amount of common stock outstanding at \$55,188,572.00. As of November 30th applicant reports its funded debt at \$124,214,700.00, its current liabilities at \$18,178,705.20, and its current assets at \$11,805,003.53.

Applicant reports that it has expended for new construction as of December 31, 1928, approximately \$5,184,786.65 which, as of January 16, 1929, had not been reimbursed from the proceeds of the sale of securities. This does not include the purchase of the Ontario Power Company or the Ojai Power Company properties, at a reported cost of \$2,029,765.02. The company's estimated construction expenditures for 1929 are reported in its Exhibit "H" at \$24,160,214.00 segregated as follows:-

Big Creek construction	\$1,609,000.00
Steam plant construction	5,250,000.00
Rights of way	1,000,000.00
General engineering and research	154,000.00
General office building and construction	1,500,000.00
Miscellaneous system betterments	14,595,514.00
Subsidiary companies	51,700.00
Total.....	<u>\$24,160,214.00</u>

The company's actual expenditures for which it has not been reimbursed through the sale of securities and its estimated 1929 construction expenditures, aggregate \$29,468,300.65.

Applicant has been selling stock to its employees and others on an installment payment basis. It anticipates that it will receive during 1929 from the sale of stock authorized as of December 31, 1928 and from the sale of the stock herein referred to, the sum of \$10,555,000.00.

Applicant asks permission to consolidate the proceeds received from the sale of the stock referred to in this application with the proceeds from the sale of all other stock, both common and preferred, the issue of which the Commission has heretofore authorized. It further asks permission to use the consolidated proceeds, (1) to

reimburse itself for the cost of selling said 256,000 shares of common stock in an amount not to exceed 25¢ per share, (2) to reimburse itself for the balance of the uncapitalized expenditures reported in Exhibit "C" aggregating \$5,184,786.65, and (3) to finance extensions, betterments and additions to its properties reported in its 1929 budget, filed in this proceeding as Exhibit "H".

The company asks permission to offer the 256,000 shares of its common stock having a par value of \$25.00 each, to its common and/or original preferred stockholders, or their assigns, in proportion to the number of shares now owned by them. It is paying dividends on its common stock at the rate of \$2.00 per share. While the order herein will authorize the company to issue the 256,000 shares of common stock at not less than par, it should be understood, however, that if the Commission is hereafter called upon to fix applicant's rates or any of them, it will not regard the dividends paid on common stock issued by applicant at par when the market value of such stock is substantially above par, as representing the cost of money obtained through the issue of such stock.

ORDER

Southern California Edison Company having applied to the Railroad Commission for permission to issue 256,000 shares of its common stock of the aggregate par value of \$6,400,000.00 and the Railroad Commission being of the opinion that this is a matter in which a public hearing is not necessary and that the money, property or labor to be procured or paid for through such issue is reasonably required for the purposes specified herein, and that 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 for cash on or before December 31, 1929 at not less than \$25.00 per share, 256,000 shares of its common capital stock of the aggregate par value of \$6,400,000.00; provided that such stock be sold only to present stockholders or their assigns.

IT IS HEREBY FURTHER ORDERED, that the Southern California Edison Company be, and it is hereby authorized, to consolidate the proceeds realized from the sale of the said 256,000 shares of common stock with the proceeds from the sale of stock heretofore authorized to be issued, and to use of said consolidated proceeds an amount equivalent to not exceeding 25¢ per share of the stock herein authorized to be issued, to pay the cost of selling said stock, and to use the remainder of said consolidated proceeds to reimburse its treasury on account of income expended to pay the cost of the additions and betterments referred to in Exhibit "G" and to finance in part the extensions and betterments and additions described in Exhibit "E"; provided that only such cost of additions, extensions and betterments as is properly chargeable to fixed capital accounts under the uniform system of accounts prescribed or adopted by the Commission may be paid through the use of said consolidated proceeds.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective ten days after the date hereof, and that applicant shall keep such record of the issue and sale 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
February, 1929.

Thos D Lott

Edmund D

Leon White

W. J. Lee

Commissioners.