

LBM

Decision No. 20885.

ORIGINAL

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 400,000 shares of its pre-)
ferred stock, series "C", 5-1/2 per)
cent of the total par value of)
\$10,000,000.00.)

Application No. 15451

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

BY THE COMMISSION:

OPINION

Southern California Edison Company asks permission to issue and sell 400,000 shares of its 5.5 percent, series "C" preferred stock of the aggregate par value of \$10,000,000.00. It further asks permission to sell such stock at not less than \$24.50 a share and to use, of the proceeds, not exceeding seventy-five cents a share to pay the cost of selling such stock and to use the remaining proceeds to reimburse its treasury and to finance the cost of extensions, betterments and additions.

The company reports its total uncapitalized expenditures for new construction as of December 31, 1928 and its estimated expenditures during 1929 at \$30,745,672.31, of which it alleges that \$11,950,109.12 has not been provided through the issue of securities, as shown in Exhibits "H" and "4", as follows:-

Expenditures for new construction 1929 budget filed as Exhibit "E" in Application No. 15351	\$24,108,514.00
Uncapitalized construction as of December 31, 1928	4,943,315.35
Expenditures for other properties;	
Ontario Power Company	1,541,344.86
Ojai Power Company	152,498.10
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Total.....	\$30,745,672.31

LESS:

Unpaid balances on stock subscrip- tion	\$7,892,438.19	
Proceeds to be received from stock heretofore authorized but unsold-par value	9,804,125.00	
Bonds of Ontario Power Company outstanding at time of acqui- sition of properties	624,000.00	
Preferred stock issued for stock of Ontario Power Company	475,000.00	
	<hr/>	\$18,795,563.19
Balance		<hr/> <u>\$11,950,109.12</u>

The construction expenditures during 1928 have been reported to the Commission in some detail in former proceedings and in Exhibit "2" filed in this proceeding and those estimated for 1929 in Exhibit "E" filed in Application No. 15351. It is reported that not all of the proceeds available from stock authorized in former proceedings will be collected during this year. In view of the testimony submitted, it appears to us that the issue of additional stock is necessary to enable the company to finance its construction expenditures.

While applicant asks permission to sell its stock at not less than \$24.50 a share, the testimony herein indicates that it proposes to offer such stock at par at this time.

O R D E R

Southern California Edison Company, having applied to the Railroad Commission for permission to issue and sell 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 is reasonably required for the purposes specified herein, which purposes are not in whole or in part reasonably chargeable to operating expense 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, 1929, at not less than \$24.50 a share, 400,000 shares of its Series "C" 5.5 percent preferred stock 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 from the sale of the stock herein authorized, not to exceed seventy-five cents per share of stock sold to pay commissions and expenses incident to the sale of the stock, and to consolidate the remaining proceeds, and such portion of the seventy-five cents not needed to pay 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, and to use such consolidated proceeds to reimburse its treasury because of the reported uncapitalized expenditures of \$4,943,315.35 as of December 31, 1928 and to finance in part the estimated expenditures during 1929, referred to in the foregoing opinion.

IT IS HEREBY FURTHER ORDERED that the authority herein granted shall become effective upon the date hereof, and further, that applicant shall keep such record of the issue 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 18th day of March, 1929.

David L. Smith
Clarence
Ernest
Leon Whitell
W. J. Lee
Commissioners.