

LBM

Decision No. 21480.

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 \$15,000,000.00 face value of)
 its refunding mortgage gold bonds,) Application No. 15873.
 Series of 5's, due 1954.)

Roy V. Reppy, for applicant.

ORIGINAL

BY THE COMMISSION:

O P I N I O N

Southern California Edison Company asks permission to issue and sell at 94-1/2 percent of their face value and accrued interest, \$15,000,000.00 of refunding mortgage gold bonds, Series of 5's, due 1954, and use the proceeds for the purposes hereinafter stated.

Southern California Edison Company as of June 30, 1929 reported capital stock outstanding and subscribed for as follows:-

Original preferred		\$4,000,000.00
Preferred, Series "A" 7 percent		26,073,450.00
Preferred Series "B" 6 percent		48,451,325.00
Preferred Series "C" 5-1/2 percent		28,436,275.00
Common stock	\$72,703,050.00	
Less, controlled by company through stock ownership	<u>10,836,628.00</u>	61,866,422.00
Capital stock subscriptions:		
Preferred		4,123,100.00
Common		4,960,500.00
		<hr/>
Total.....	\$	<u>177,911,072.00</u>

The company's balance sheet shows that there was due from stock subscribers on June 30, 1929, the sum of \$7,159,301.28. Applicant's balance sheet as of June 30, 1929 shows \$124,025,700.00 of bonds outstanding. These consist of \$120,465,700.00 of five percent bonds; \$150,000.00 of five and one half percent bonds; and \$3,410,000.00 of six percent bonds.

The record shows that applicant on August 1, 1928 redeemed \$8,225,000.00 face value of its general and refunding mortgage 25-year five and one half percent bonds, Series of 1919. These bonds were redeemed by the payment of the principal thereof, accrued interest and a premium of five percent. The money necessary to redeem the bonds was obtained through the issue of short term notes and the use of cash in the company's treasury. It is for the purpose of paying notes and reimbursing the company's treasury on account of the redemption of the five and one half percent bonds, and for the further purpose of financing capital expenditures, that the company asks permission to issue the \$15,000,000.00 of bonds.

Exhibit No. 4, in conjunction with the testimony submitted, shows that the company has \$8,145,827.02 of actual or estimated construction expenditures, against which the Commission has not authorized the issue of any stock, or bonds. In arriving at this figure, the company considered \$13,235,113.23 which it expects to receive from stock subscribed for and not yet fully paid, and from stock authorized to be issued and sold by the Commission, but not sold on July 31, 1929. Only a relatively small part of the \$13,235,113.23 will be collected during the balance of 1929. The record shows that if the company continues with its construction expenditures, as outlined in its 1929 budget filed as Exhibit "E" in Application No. 15351, it has need for the issue and sale of the \$15,000,000.00 of bonds referred to in this application.

There has been filed in this proceeding as Applicant's Exhibit No. 9, a resolution of its Board of Directors creating a new series of bonds to be known as refunding mortgage gold bonds, Series of 5's, due 1954. The new series of bonds are to be dated June 1, 1929 and mature June 1, 1954, and are to bear interest at the rate of five percent per annum, payable semi-annually on the first day of December and on the first day of June in each year. The company reserves the right to redeem the bonds on any interest payment date, upon the payment of the principal and accrued interest and the following premiums;

Prior to, and during the calendar year 1943, a premium of five percent; during 1944 a premium of four and one half percent; during 1945 a premium of four percent; during 1946 a premium of three and one half percent; during 1947 a premium of three percent; during 1948 a premium of two and a half percent; during 1949 a premium of two percent; during 1950 a premium of one and one half percent; during 1951 a premium of one percent; during 1952 a premium of one half percent; and during 1953 at par.

In Exhibit No. 8 applicant reports that the unamortized discount and expense on the \$8,225,000.00 of its general and refunding mortgage 25-year five and one half percent gold bonds, Series of 1919, redeemed on August 1, 1928, was on July 31, 1929, \$358,025.88. The company requests permission to amortize the \$358,025.88 during the life of the bonds which it now asks permission to issue.

ORDER

Southern California Edison Company, having asked permission to issue and sell \$15,000,000.00 of bonds, a public hearing having been held before Examiner Fankhauser, and the Commission being of the

opinion that the money, property or labor to be procured or paid for by the issue of such bonds is reasonably required by applicant, and that the expenditures herein authorized are not in whole or in part reasonably chargeable to operating expense or to income, and that this application should be granted, as herein provided, therefore,

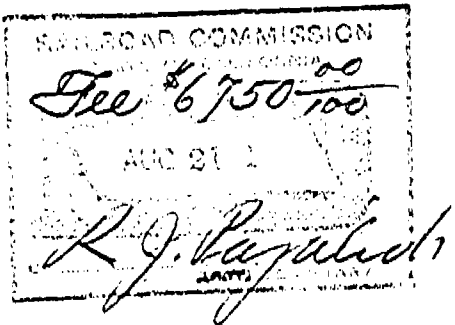
IT IS HEREBY ORDERED as follows;-

1. Southern California Edison Company may issue and sell on or before December 31, 1929, \$15,000,000.00 face value of its refunding mortgage gold bonds, Series of 5's, due 1954; such bonds to be sold at not less than 94-1/2 percent of their face value and accrued interest.
2. Southern California Edison Company shall use the proceeds obtained from the sale of such bonds to pay the \$8,500,000.00 of notes referred to in Exhibit No. 5, and to finance, in part, construction expenditures through the reimbursement of its treasury or the payment of indebtedness, referred to in Exhibit No. 4, as modified by the testimony of D. M. Trott.
3. Southern California Edison Company may amortize the \$358,025.88 of unamortized debt discount and expense, referred to in Exhibit No. 8, over the life of the \$15,000,000.00 face value of refunding mortgage gold bonds, Series of 5's, due 1954, the issue of which is herein authorized.
4. The authority herein granted will become effective when Southern California Edison Company has paid the fee prescribed by Section 57 of the Public Utilities Act, which fee is Six Thousand Seven Hundred and Fifty (\$6,750.00) Dollars.
5. Southern California Edison Company shall keep such record of the issue, sale and delivery 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.

DATED at San Francisco, California, this 21st day of August, 1929.

W. J. Quinn
Emmott
M. J. Quinn
Commissioners.



Fee # 21150