

Decision No. 22121.

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 \$5,000,000.00 face value of)
 its refunding mortgage gold bonds)
 series of 5's, due 1954.)

Application No. 16258

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

BY THE COMMISSION:

ORIGINALO P I N I O N

In this proceeding the Railroad Commission is asked to make an order authorizing Southern California Edison Company to issue and sell, at not less than 97.5 percent of face value plus accrued interest, \$5,000,000.00 of its refunding mortgage gold bonds, series of 5's, due 1954, for the purpose of reimbursing itself for the redemption and retirement on January 1, 1930, of \$400,000.00 of the bonds of Ontario Power Company and for capital expenditures hereafter to be made for the acquisition of property and the construction, completion, extension and improvement of its facilities.

Applicant in its Exhibit "A" reports outstanding, as of November 30, 1929, capital stock of \$178,400,872.00 and funded debt of \$139,471,200.00. The latter figure includes

bonds as follows;-

Mentone Power Company 5's, due 1931	\$ 37,000.
Pacific Light & Power Company 5's, due 1942	5,492,000.
Pacific Light & Power Corp. 5's, due 1951	5,659,000.
Mt. Whitney Power & Electric Co. 6's, due 1939	3,132,000.
Santa Barbara Gas & Electric Co., serial 5's	670,700.
Ontario Power Company 6's, due 1955	250,000.
Ontario Power Company 5.5's, due 1955	150,000.
Ontario Power Company 5's, due 1932	216,000.
Southern California Edison Company:	
General 5's, due 1939	13,360,000.
General & refunding 5's due 1944	10,000,000.
Refunding mortgage 5's, due 1951	55,000,000.
Refunding mortgage 5's, due 1952	30,504,500.
Refunding mortgage 5's, due 1954	15,000,000.
Total.....	<u>\$139,471,200.</u>

The Ontario Power Company six percent and five and one half percent bonds, aggregating \$400,000.00 were called for payment on January 1, 1930.

The bonds applicant now proposes to issue are part of a total authorized issue of \$250,000,000.00 of refunding mortgage gold bonds, of which \$100,504,500.00 were outstanding on November 30th. The proposed \$5,000,000.00 of bonds are similar to the \$15,000,000.00 of bonds, series of 5's, due 1954, now outstanding. Applicant plans to dispose of the bonds through its own organization at a price of not less than 97.5 percent of face value plus accrued interest.

In making the application to issue the additional \$5,000,000.00 of bonds, the company reports that in addition to the expenditures to retire the \$400,000.00 of Ontario Power Company bonds, it has expended or will expend during 1930 for capital purposes, the sum of \$12,370,558.95 which has not been paid or provided through the issue of securities. This amount, as shown in Exhibit "2", was

determined in the following manner;-

Expenditures for new construction 1930 budget (Exhibit "G", Application No. 16187)	\$23,601,058.00
LESS- subsidiary companies	19,965.00
Balance	\$23,581,093.00
Uncapitalized expenditures on December 31, 1929	8,157,798.30
Total	\$31,738,891.30
LESS:	
Proceeds to be derived from unpaid balances on stock subscriptions	\$6,802,782.35
Par value of stock author- ized but unsold	12,565,550.00
Total	19,368,332.35
Balance available for further authorization of securities.....	\$12,370,558.95

It seems evident that applicant will need additional security proceeds to take care of its construction work during 1930, and it clearly appears to us that the issue and sale of the \$5,000,000. of bonds, as requested herein, is warranted under the facts and circumstances presented in this matter.

The unamortized discount and expense applicable to the said \$400,000.00 of Ontario Power Company bonds and the premium paid upon the redemption of said bonds should be charged to the profit and loss account provided in the uniform system of accounts for electric corporations , as prescribed by the Commission.

ORDER

Southern California Edison Company having applied to the Railroad Commission for permission to issue \$5,000,000.00 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 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.

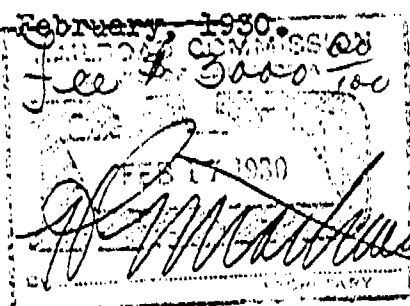
IT IS HEREBY ORDERED that Southern California Edison Company be, and it hereby is, authorized to issue and sell, on or before December 31, 1930, at not less than 97.5 percent of face value plus accrued interest, \$5,000,000.00 of its refunding mortgage gold bonds, series of 5's, due 1954, and to use the proceeds from the sale of \$400,000.00 of such bonds to reimburse its treasury because of earnings used in paying and redeeming \$400,000.00 of Ontario Power Company bonds on January 1, 1930, and to use the remaining proceeds to reimburse its treasury and to finance in part the expenditures in acquiring properties and in constructing, completing, extending and improving its facilities, which are referred to in Exhibit "2" filed in this proceeding.

The authority herein granted is subject to further conditions as follows:-

1. Applicant 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.
2. 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 Three Thousand(\$3,000.)

Dollars.

DATED at San Francisco, California, this 11th day of



[Signature]
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Commissioners.