

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA.

-----oOo-----

ORIGINAL

In the matter of the application of SOUTHERN CALIFORNIA EDISON COMPANY for an order authorizing it to sell \$187,000 par value of its bonds to the Harris Trust & Savings Bank of Chicago, Illinois, said bonds having been heretofore authorized by this Commission under Application No. 350 and hypothecated with said Harris Trust & Savings Bank of Chicago, Illinois, said Harris Trust & Savings Bank of Chicago, Illinois, having been given an option to buy said bonds.

)
(
) Application No. 350.
)
(
)

Decision No. 1798

H. H. Trowbridge, for applicant.

LOVELAND, Commissioner.

SUPPLEMENTAL OPINION.

By the original Order in Application No. 350, Southern California Edison Company was given authority to issue, sell and deliver \$2,500,000 face value of bonds, bearing interest at the rate of 5 per cent per annum, due November 1, 1939, said bonds to be sold at 89 per cent of their face value.

Thereafter, to-wit: on the 12th day of August, 1914, under the Fourth Supplemental Order in Application No. 350, Southern California Edison Company was given authority to sell 321 bonds of the denomination of \$1,000 each, said 321 bonds then remaining unsold under the original Order above referred to, at 87½ per cent of the face value instead of 89% of face value as specified in the original Order.

On August 15, 1914, under the decision in the Fifth Supplemental Order of Application No. 350, Southern California Edison Company was given authority to pledge said 321 bonds of the value of \$1,000 each, said bonds bearing Nos. 17,552 to 17,872, inclusive, to secure obligations of Southern California Edison Company.

This Fifth Supplemental Order was made alternative to the Fourth Supplemental Order above referred to and under the Fifth Supplemental Order Southern California Edison Company hypothecated with Harris Trust & Savings Bank of Chicago, Illinois, bonds of the above authorized issue Nos. 17,552 to 17,738, both inclusive, of the face value of

\$187,000 to secure the promissory note of Southern California Edison Company, payable ten (10) days after its date in the sum of \$150,000, given to Harris Trust & Savings Bank of Chicago, Illinois, drawing interest at the rate of 7% per annum.

Applicant shows that in order to secure said loan under conditions prevailing at the time, Southern California Edison Company found it necessary to agree with Harris Trust & Savings Bank of Chicago, Illinois, that if said loan were not paid at maturity or when demand was made therefor, Southern California Edison Company would sell to Harris Trust & Savings Bank of Chicago, Illinois, said \$187,000 face value of its said bonds at the price fixed by the Commission, namely 87½ per cent of the par value thereof, said Harris Trust & Savings Bank of Chicago, Illinois, to apply the proceeds to the payment in full of the above described note of Southern California Edison Company and the interest thereon and return the balance of the proceeds from said sale to the Southern California Edison Company.

Southern California Edison Company now asks the Railroad Commission to approve such contract with Harris Trust & Savings Bank of Chicago, Illinois, permitting the sale of said \$187,000 face value of its bonds at 87½ per cent of the par value thereof and with the proceeds of said sale to pay its said note above described for \$150,000, and the interest thereon, the balance of said proceeds of said sale to be returned to the treasury of said Southern California Edison Company to be used in such manner as may hereafter be permitted by the Railroad Commission.

I recommend that the application be granted and submit the following form of Order.

O R D E R.

WHEREAS SOUTHERN CALIFORNIA EDISON COMPANY was heretofore given permission under Application No. 350 to sell and deliver to the amount of \$2,500,000 its bonds bearing interest at the rate of 5 per cent per annum, due November 1, 1939, said bonds to be sold at 89% of their par value,

AND WHEREAS, Southern California Edison Company having sold all of said bonds except 321 bonds of the denomination of \$1,000.00 each and finding it impossible to sell the remainder of the bonds at the price specified in the Order under Application No. 350, by the Commission, namely 89% of its face value, applied for and received permission of this Commission to sell the remaining 321 bonds at 87½ per cent of their face value, and thereafter, to-wit, on August 15, 1914, applied for and received permission from this Commission to hypothecate \$187,000 face value of said bonds, being bonds Nos. 17,552 to 17,738, both inclusive, with the Harris Trust & Savings Bank of Chicago, Illinois, to secure a promissory note of the Southern California Edison Company for \$150,000, payable ten days after date at the rate of interest of 7% per annum,

AND WHEREAS, owing to disturbed financial conditions, Southern California Edison Company found it necessary in order to secure the \$150,000 from the Harris Trust & Savings Bank of Chicago, Illinois, to give to said Harris Trust & Savings Bank of Chicago, Illinois, an option to buy said \$187,000 face value of its bonds, permission to hypothecate which had been given by the Railroad Commission, Southern California Edison Company now asks the Railroad Commission to approve of its said act in giving to Harris Trust & Savings Bank of Chicago, Illinois, said option, and for permission to sell to Harris Trust & Savings Bank of Chicago, Illinois, at 87½ per cent of face value the said bonds to the amount of \$187,000 face value from the proceeds of which sale it will pay and discharge its note of \$150,000 to the Harris Trust & Savings Bank of Chicago, Illinois, with interest thereon, the remainder to be placed in the treasury of the Southern California Edison Company to be expended thereafter under the direction of the Railroad Commission,-

AND WHEREAS the Commission finds that the acts of the Southern California Edison Company, as herein set forth, have been proper and justifiable under the circumstances,

IT IS HEREBY ORDERED that Southern California Edison Company

be and it is hereby given authority to sell to Harris Trust & Savings Bank of Chicago, Illinois, its bonds in the amount of \$187,000, face value, and from the proceeds of said sale to pay and discharge its note of \$150,000 with interest thereon to the Harris Trust & Savings Bank of Chicago, Illinois, and to return the remainder of the proceeds of said sale to the treasury of Southern California Edison Company to be thereafter used in such manner as may be permitted by the Railroad Commission.

Southern California Edison Company is hereby directed to notify the Commission, in writing, of the discharge of the said note to the Harris Trust & Savings Bank of Chicago, Illinois, and of the return to the treasury of Southern California Edison Company of the remainder of the proceeds from the sale of said bonds.

The foregoing Sixth Supplemental Opinion and Order are hereby approved and ordered filed as the Sixth Supplemental Opinion and Order of the Railroad Commission of the State of California.

Dated at San Francisco, California, this 15th day of September, 1914.

x

H. D. Loveland

W. L. ...

Mar. Thelen

Commissioners.