

MM

Decision No. 6544

ORIGINAL

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application)
of SOUTHERN CALIFORNIA EDISON)
COMPANY, a corporation, for an)
order of the Railroad Commission)
of the State of California, authoriz-)
ing it to issue, sell and deliver)
twenty-five thousand shares of its)
common capital stock of the par)
value of \$100.00 each.)

Application No. 4790.

Roy V. Reppy and Harry J. Bauer for applicant.

EDGERTON, Commissioner.

O P I N I O N

Southern California Edison Company asks permission to issue and sell at not less than \$90.00 per share, 25,000 shares (\$2,500,000.) of its common capital stock. This stock applicant intends to first offer to its stockholders pro rata in proportion to the respective holdings of each, and such stock not taken by said stockholders to be offered for sale to the public.

Applicant reports stock outstanding as of June 30, 1919, as follows:-

First Preferred Stock	\$4,000,000.00
Second Preferred Stock	12,029,900.00
Common Stock	24,456,500.00
Subscribed Common	<u>1,964,000.00</u>
	\$42,450,400.00

Of the common stock, \$10,836,628.00 is the amount controlled by Company through ownership of Pacific Light and Power Corporation, leaving net outstanding, \$13,619,872.00.

In its petition herein, the Company states that the cost of its operative property as of May 31, 1919, is \$77,010,860.09.

The testimony of Mr. R. H. Bellard, First Vice President of Southern California Edison Company shows that applicant has a contemplated construction program for the next three years, involving a cost of approximately \$20,000,000. This program includes the building of a hydro-electric plant on Kern River, generating station on Big Creek, and general construction of sub-stations, transformers, etc. The increased demand for power is responsible for the necessity of this construction work. At the present time, however, the company is unable to advise the Commission as to the specific purpose for which it intends to expend the proceeds realized from the sale of the stock, or to give any detailed list or description of property to be acquired or of extensions or improvements contemplated. The company requests, and the order herein will provide, that all the proceeds from the sale of the \$2,500,000. of stock be deposited and held by the applicant in its treasury, and disbursed only after receiving direction and specified approval and authorization from this Commission in a supplemental order or orders.

I herewith submit the following form of Order:-

O R D E R

SOUTHERN CALIFORNIA EDISON COMPANY having applied to the Railroad Commission for permission to issue 25,000 shares of its common capital stock of the par value of \$100.00 a share, a public hearing having been held, and it appearing to the Railroad Commission that the money, property or labor to be procured or paid

for by such issue is reasonably required for the purpose or purposes specified in the Order and that the expenditures for such purpose or 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 is hereby, granted authority to issue and sell to its stockholders and to the public, at not less than \$90.00 per share net, 25,000 shares (\$2,500,000) of its common capital stock, subject to the following conditions and not otherwise:-

1.-The proceeds from the sale of the 25,000 shares of stock herein authorized, shall be deposited by applicant in its treasury and expended only after applicant shall have filed with the Railroad Commission a detailed statement showing the purposes for which it proposes to use said proceeds, and shall have received a supplemental order or orders from the Commission.

2.-Southern California Edison Company 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 Number 24, which order, in so far as applicable, is made a part of this Order.

3. In case of sale of stock to brokers for resale, the company may pay a brokerage commission of \$1 a share.

4. The authority herein granted to issue stock, shall apply only to such stock as shall have been issued on or before June 30, 1920.

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

Dated at San Francisco, California, this 7th day of August, 1919.

Edwin O. Edgerton
H. H. Ireland
Francis R. Dolan
Dwight Martin

Commissioners.