

ORIGINAL

Decision No. 7541.

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

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In the Matter of the Application of)
 SOUTHERN CALIFORNIA EDISON COMPANY,)
 a corporation, for authority to issue) Application No. 5617.
 and sell bonds in the amount of)
 \$5,000,000.00 face value.)

 Roy V. Reppy, for applicant.

EDGERTON, Commissioner.

O P I N I O N.

SOUTHERN CALIFORNIA EDISON COMPANY asks permission to issue and sell \$5,000,000.00 of its general and refunding mortgage 6 per cent 25-year gold bonds of the Series of 1919.

In Exhibit No. 2, applicant reports its estimated expenditures from March 1, 1920 to December 31, 1920, to carry on its hydro-electric development work and construct necessary transmission and distribution lines and facilities to properly take care of the normal growth of its business at \$8,505,000.00. This amount is distributed as follows:

To complete Kern River No. 3 development,.....	\$1,985,000
To carry on work at Big Creek including third unit at Big Creek No. 2, work on Shaver tunnel and reservoir, Pittman Creek tunnel and on Big Creek No. 8,	2,108,000
To complete sub-station at Vestal (Richgrove),.....	314,000
To complete Greenhorn transmission line from Kern No. 3 to Vestal substation,.....	531,000
To complete change at Eagle Rock for increasing the capacity of that substation,.....	312,000
To install additional steam turbine at Long Beach,...	420,000
To pay for necessary changes and increases in general transmission and distribution system,.....	<u>2,335,000</u>
Total,.....	8,505,000

Applicant has not filed with the Commission a detailed statement of its estimated construction expenditures, but is willing that the order herein should provide that the proceeds obtained from the sale of the bonds be deposited in a special fund or funds and expended only for such purposes as the Railroad Commission may from time to time authorize by supplemental order or orders in this proceeding.

Applicant reports that it has arranged for the sale of its bonds at 83 and accrued interest. While this appears to result in a relatively high effective interest rate, I am satisfied that it is more desirable that the bonds be sold at the price suggested rather than suspend construction work on applicant's hydroelectric plants or require applicant to issue short term notes at an equal or higher rate of interest.

I herewith submit the following form of order.

ORDER

SOUTHERN CALIFORNIA EDISON COMPANY having applied to the Railroad Commission for permission to issue \$5,000,000. of bonds, a public hearing having been held and the Railroad Commission being of the opinion 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 this 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;

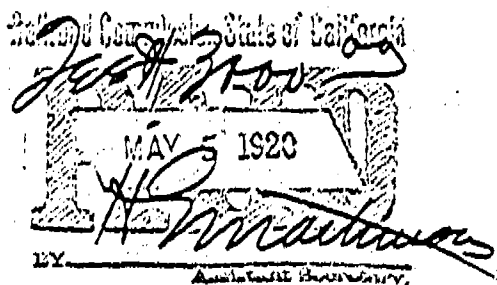
IT IS HEREBY ORDERED, that SOUTHERN CALIFORNIA EDISON COMPANY be, and it is hereby, authorized to issue \$5,000,000.00 of its general and refunding mortgage 6 per cent 25-year gold bonds of the Series of 1919.

The authority herein granted is subject to the following conditions:-

- 1.--The bonds shall be sold by applicant, for cash, at not less than 83% of their face value and accrued interest, and the proceeds deposited in a special fund or funds and expended only for such purposes as the Railroad Commission may authorize in a supplemental order or orders herein.
- 2.--Southern California Edison Company shall keep such record of the issue and sale 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, in so far as applicable, is made a part of this Order.
- 3.--The authority herein granted will not be effective until applicant has paid the fee prescribed in the Public Utilities Act.
- 4.--The authority herein granted will apply only to such bonds as may be issued and sold on or before December 15, 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 5th day of May, 1920.



Edwin O. Edgerton
H. Loveland
Frank R. [Signature]

 Commissioners.