

BEFORE THE RAILROAD COMMISSION OF THE
STATE OF CALIFORNIA

In the matter of the Application of)
SOUTHERN CALIFORNIA EDISON COMPANY)
for an order authorizing the issuance)
of its bonds secured by Trust Indenture)
to the amount of \$4,117,000., and the)
exchange of said bonds for bonds issued)
and outstanding, secured by underlying)
mortgages upon the properties of)
Southern California Edison Company.)

Application No. 54.

Appearances:

H. H. Trowbridge for applicant

OPINION.

Egerton, Commissioner.

This is an application for an order authorizing the issuance of \$4,117,000. of bonds to be exchanged for an equal amount of bonds now outstanding and secured by the property of applicant.

The condition of the capitalization of applicant is as follows:

Capital Stock authorized,...	\$50,000,000.
" " issued, Preferred,.....	4,000,000.
" " " Common,.....	8,400,000.
Total Stock issued,.....	<u>\$12,400,000.</u>
<u>Bonds authorized,.....</u>	<u>\$50,000,000.</u>
Bonds issued,.....	\$6,762,000.
Underlying Bonds outstanding,.....	\$4,117,000.

It appears from the testimony introduced at the hearing that applicant is earning more than 1 1/2 per cent of interest on its outstanding bonded indebtedness as required by its trust deed and that it has paid for a number of years 5 per cent dividends on its issued stock.

The effect of granting this order would be to allow applicant to carry out its plan, partly executed before March 25th of this year, at which time the issuance of bonds was interrupted by the going into effect of the Public Utilities Act. The issuing of these bonds for the purposes specified in the application would result in substituting for the underlying bonds, bonds for an exactly equal amount of the authorized issue of \$30,000,000. and would in no wise additionally burden the property nor require any greater payment of interest.

The advantages of retiring all of the underlying bonds of various issues and upon separate parts of the property and substituting therefor bonds secured by blanket mortgage on the whole property, which bonds will bear the same date of issue and will be retired at the same time and will be secured by all of the property of the corporation are several. First, the interest will be reduced which is now being paid upon certain of the underlying bonds from 6 to 5 per cent; second, the bond holders will be secured by all of the property of the corporation; third, future bonds of the company will be more readily salable because they will not be secured by a second lien upon the property and will be first mortgage bonds, which are considered more desirable by bond houses and purchasers of such securities.

The application should be granted and an order issued authorizing said issue of bonds.

An order based upon the foregoing conclusions is submitted, herewith.

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 24th day of May,

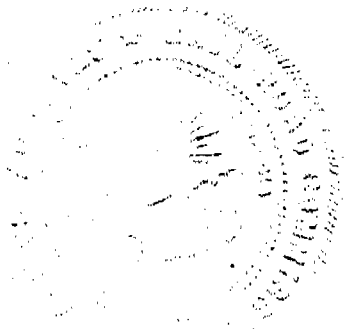
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John M. Eschman
W. S. Lovland

Max Thelen

Edwin O. Edgeston

Commissioners.



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