

IM

Decision No. 9272

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 is-)
sue and sell bonds of the face value)
of \$6,000,000.)

Application Number 7035.

ORIGINAL

Roy V. Reppy, for Applicant.

BRUNDIGE, COMMISSIONER.

O P I N I O N

SOUTHERN CALIFORNIA EDISON COMPANY asks permission to issue and sell \$6,000,000. face value of general and refunding mortgage six percent. twenty-five year gold bonds of the series of 1919. The company proposes to use \$15,000. of such bonds for the purpose of refunding \$15,000. of United Electric Gas and Power Company bonds that matured December 1, 1920, and to use the proceeds from the remaining \$5,985,000. of bonds to reimburse its treasury on account of uncapitalized construction expenditures made since December 1, 1920 and prior to June 30, 1921.

Applicant is engaged in the construction of extensive hydroelectric plants on the Kern River and Big Creek. The record shows that recently applicant has completed its Big Creek No. 2 and its Kern No. 3 projects and that the Big Creek No. 8 unit should be completed by August 1, 1921. These three units have an aggregate capacity of 92,000 H.P. In addition, applicant

reports that it has made extensive construction expenditures on its Florence Lake Tunnel and its Shaver Lake Project.

By Decision Number 8579, dated January 24, 1921 and Number 8999, dated May 21, 1921, applicant was authorized to use \$6,099,260.69 of the proceeds obtained from the sale of common stock to finance in part construction expenditures made prior to December 1, 1920. In Exhibit "2" filed in the above entitled matter, petitioner reports that it has made capital expenditures from December 1, 1920 to June 30, 1921, of \$7,553,656.40. Of this amount, \$920,000. has been paid by proceeds realized from the sale of stock, leaving capital expenditures of \$6,633,656.40 which have not been paid by the issue of securities.

Applicant proposes to sell the bonds, for which application is herein made, at not less than 81 percent. of face value, plus accrued interest; A. N. Kemp, applicant's vice-president, testifying that arrangement had been made to sell the entire amount at that price. It proposes to use the \$4,847,850.00 received from the sale of \$5,985,000.00 of bonds, to finance, in part, the reported expenditures of \$6,633,656.40, leaving a balance of \$1,785,806.40 of expenditures to be paid by proceeds from the sale of common stock.

By Decision Number 9122, dated June 21, 1921, the Commission authorized applicant to expend \$5,058,860.56 of the proceeds from the sale of the common stock authorized to be issued by decisions in Applications Numbers 2743, 4790, 5312 and 6426, to finance construction expenditures made subsequent to December 1, 1920. As stated above, the company has used only \$920,000.00 of such stock proceeds to pay these construction expenditures.

Applicant now reports that it has adjusted its plans and desires to finance the reported expenditures of \$7,553,656.40, made since December 1, 1920, by \$4,847,850.00 obtained from the sale of bonds and \$2,705,806.40 obtained from the sale of stock.

A supplemental order will be made modifying Decision Number 9122, to permit applicant to expend only \$2,705,806.40 of the proceeds from the sale of stock, instead of the \$5,058,860.56 heretofore authorized in said Decision Number 9122, to finance in part, construction expenditures made subsequent to December 1, 1920 and prior to June 30, 1921.

I herewith submit the following order:-

C R D E R

SOUTHERN CALIFORNIA EDISON COMPANY, having applied to the Railroad Commission for permission to issue and sell \$6,000,000 face value of its general and refunding mortgage bonds, 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 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 and sell at not less than 81% of face value, plus accrued interest, \$6,000,000 face value of its general and refunding mortgage 6% 25-year gold bonds of the series of 1919.

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

1. \$15,000. of the bonds herein authorized shall be issued for the purpose of refunding the \$15,000. of United Electric Gas and Power Company bonds that have heretofore matured.
2. The proceeds from the remaining \$5,985,000. of bonds shall be used by applicant to finance in part the cost of the extensions, additions and betterments made subsequent to December 1, 1920, and prior to June 30, 1921, and referred to in this application.
3. The authority herein granted shall not become effective until applicant has paid the fee prescribed in the Public Utilities Act.
4. Southern California Edison Company shall keep such record of the issue, disposition and sale of the bonds herein authorized and of the use 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.
5. The authority herein granted will apply only to such bonds as may be issued and sold on or before March 31, 1922.

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 27th day of July, 1921.

Railroad Commission State of California
 Fee \$ 3000.00
 JUL 26 1921
 J. P. Matthews
 BY _____

H. C. Audin
H. D. Loveland
Waring Masters

 Commissioners.