

Decision No. 22961

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
SOUTHERN CALIFORNIA EDISON COMPANY LTD.,  
a corporation, for an Order of the Rail-  
road Commission Authorizing it to Borrow  
\$3,500,000, and to issue its promissory  
notes therefor.

**ORIGINAL**

Application No. 22961

BY THE COMMISSION:

O P I N I O N

Southern California Edison Company Ltd. asks permission to execute and deliver its 1-1/2% unsecured notes, payable on or before two years from date, to the following banks and in the following amounts:-

<u>Name of banks</u>	<u>Face amount of notes</u>
Bank of America, National Trust and Savings Association	\$ 1,750,000
Security-First National Bank of Los Angeles	750,000
California Bank	200,000
Citizens National Bank of Los Angeles	200,000
Union Bank and Trust Company	125,000
Harris Trust and Savings Bank, of Chicago, Illinois	375,000
Farmers and Merchants National Bank of Los Angeles	100,000
Total.....	<u>\$ 3,500,000</u>

Applicant has outstanding \$3,700,000 of "Series of 1945", 3-3/4% debentures. They are subject to redemption on or after September 1, 1939, and prior to September 1, 1940, at 102% of the principal amount thereof. Applicant intends to redeem said debentures on October 2, 1939. It will use for that purpose the said \$3,500,000, together with other funds, including the \$4,494,000 obtained from the Department of Water and Power of the City of Los Angeles, for properties situated within the City of Los Angeles, covered by "Agreement of Compromise and Settlement" entered into on or about May 25, 1939, and

referred to in Decision No. 32057, dated June 6, 1939.

To redeem the \$8,700,000 of debentures, requires the payment of by the company of a premium of \$174,000. In our opinion, such premium, together with any balances now on applicant's books representing unamortized discount and expense, applicable to said debentures, should on or before December 31, 1939, be charged to its surplus account. As of July 31, 1939, applicant reports earned surplus of \$13,248,593.02.

#### ORDER

Southern California Edison Company Ltd., having applied to the Railroad Commission of the State of California for permission to execute and deliver \$3,500,000 of unsecured notes, and the Commission being of the opinion that this is not a matter on which a public hearing is necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for is reasonably required for the purpose specified herein, and that the expenditures for such purpose are not, in whole or in part, reasonably chargeable to operating expenses or to income,

IT IS HEREBY ORDERED, that Southern California Edison Company Ltd. be, and it hereby is, authorized to issue and deliver, on or before November 1, 1939, promissory notes as follows:-

- a. To Bank of America National Trust and Savings Association a note for \$1,750,000, to be dated September 7, 1939, to be payable on or before two years from date, with interest at the rate of 1-1/2% per annum, payable quarterly.
- b. To Security-First National Bank of Los Angeles, a note for \$750,000, to be dated September 7, 1939, to be payable on or before two years from date, with interest at the rate of 1-1/2% per annum, payable quarterly.
- c. To California Bank, a note for \$200,000, to be dated September 7, 1939, to be payable on or before two years from date, with interest at the rate of 1-1/2% per annum, payable quarterly.

- d. To Citizens National Bank of Los Angeles, a note for \$200,000, to be dated September 7, 1939, to be payable on or before two years from date, with interest at the rate of 1-1/2% per annum, payable quarterly.
- e. To Union Bank and Trust Company, a note for \$125,000, to be dated September 7, 1939, to be payable on or before two years from date, with interest at the rate of 1-1/2% per annum, payable quarterly.
- f. To Harris Trust and Savings Bank, of Chicago, Illinois, a note for \$375,000, to be dated September 7, 1939, to be payable on or before two years from date, with interest at the rate of 1-1/2% per annum, payable quarterly.
- g. To Farmers and Merchants National Bank of Los Angeles, a note for \$100,000, to be dated September 7, 1939, to be payable on or before two years from date, with interest at the rate of 1-1/2% per annum, payable quarterly.

IT IS HEREBY FURTHER ORDERED, that Southern California Edison Company Ltd. shall use the proceeds realized from the issue of said notes, to pay in part the debentures to which reference is made in the foregoing opinion.

IT IS HEREBY FURTHER ORDERED, that the authority herein granted shall become effective upon the date hereof.

IT IS HEREBY FURTHER ORDERED, that Southern California Edison Company Ltd. shall file with the Railroad Commission a report or reports, as required by the Railroad Commission's General Order No. 24-A, which order insofar as applicable, is made a part of this order.

DATED at San Francisco, California, this 5<sup>th</sup> day of September, 1939.

*Robertson*  
*Frank L. ...*  
*Ray L. ...*  
*M. ...*  
*Justin J. ...*

COMMISSIONERS