

ORIGINAL

Decision No. 49722

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)	
SOUTHERN CALIFORNIA EDISON COMPANY,	:	
a corporation,)	Application
	:	No. 35133
for authority to issue and sell)	(First Supplemental)
600,000 shares of Common Stock, of	:	
the aggregate par value of \$15,000,000.)	
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FIRST SUPPLEMENTAL ORDER

In this application, Southern California Edison Company, hereinafter sometimes referred to as Applicant, has applied for permission to issue and sell 600,000 shares of its common stock of the par value of \$25 per share and of a total par value of \$15,000,000.

The Commission, by Decision No. 49619, dated February 2, 1954, exempted the issue of said 600,000 shares of common stock from competitive bidding and by Decision No. 49672, dated February 16, 1954, authorized Applicant to issue and sell said 600,000 shares of common stock at a price to be fixed by a supplemental order.

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In a first supplemental application filed in this proceeding on February 19, 1954, Applicant reports that it proposes to negotiate the terms of the sale of said common stock and to fix the price therefor in the manner provided in the form of Underwriting Agreement attached to its first supplemental application as Exhibit A.

Under the terms of the proposed agreement, the purchasers of the shares of stock will offer them for sale at an initial public offering price per share to be determined by agreement between

Applicant and representatives of the purchasers which shall be (a) not higher than the last sale regular way on the New York Stock Exchange immediately prior to such determination or the last asked price, whichever is higher, plus an amount equal to the New York Stock Exchange commission, and (b) not lower than \$.50 under either last sale price regular way or the last bid price, whichever is lower.

The price per share to be paid Applicant by the purchasers of the stock shall be an amount equal to the initial public offering price, determined as set forth above, less an amount per share, (the underwriting discount) which shall be determined by agreement, and which shall not be in excess of 2% of the initial public offering price.

The agreement with the purchasers will terminate if the initial public offering price and the underwriting discount shall not have been determined on the fifteenth full business day after the registration statement shall have become effective.

Thus, the proposed agreement provides a limited period of 15 days within which applicant and the purchasers of its shares of stock may carry on their negotiations and it sets up a range within which the final price will be fixed. In the final analysis, the price agreed upon will be based on the reported prices or quotations on the New York Stock Exchange. In this connection, the first supplemental application shows that from February 1, 1954, to February 18, 1954, inclusive, 34,700 shares of Applicant's common stock were reported sold on the New York Stock Exchange at prices ranging from a low of \$38-1/8 per share to a high of \$38-7/8 per share and the last reported sales price on February 18 was \$38-5/8 per share.

The Commission has considered Applicant's request and is of the opinion that it should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. Southern California Edison Company may issue, sell and deliver not exceeding 600,000 shares of common stock of the par value of \$25 per share, which shares were authorized by Decision No. 49672, dated February 16, 1954, at a public offering price less an underwriting discount, all to be determined as provided in the form of Underwriting Agreement filed as Exhibit A to said first supplemental application.

2. This first supplemental order will become effective upon the date hereof.

Dated at San Francisco, California, this 23rd day of February, 1954.

R. F. Johnson
President

Justin F. Carlson

Samuel L. Pottel

W. E. Mitchell

Gene Deogans
Commissioner