

ORIGINAL

Decision No. 50344

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SOUTHERN CALIFORNIA EDISON COMPANY,)
 a corporation, for authority to)
 issue and sell \$30,000,000 aggregate)
 principal amount of its First and)
 Refunding Mortgage Bonds, Series F,)
 Due 1979, and to execute and deliver)
 a Twelfth Supplemental Indenture.)
 -----)

Application
No. 35637

O P I N I O N

Southern California Edison Company has filed this applica-
 tion for authorization to issue and sell \$30,000,000 in aggregate
 principal amount of its First and Refunding Mortgage Bonds, Series F,
 Due 1979, and to execute and deliver a Twelfth Supplemental Indenture.

If authorized to issue and sell said bonds, applicant pro-
 poses to use the proceeds to retire and discharge promissory notes
 and to reimburse its treasury for moneys actually expended from income
 for the acquisition of property and for the construction, completion,
 extension or improvement of its facilities. It reports that it has no
 notes presently outstanding but it anticipates its borrowings may
 aggregate approximately \$6,000,000 by the time the proceeds from the
 sale of the bonds become available. It asserts, in Exhibit B, that as
 of June 30, 1954, its construction costs which had not been paid or
 provided through the issue of securities amounted to \$64,767,629.

The application shows that upon reimbursement of its
 treasury applicant intends to use the additional funds in proceeding
 with its construction program. In Exhibit C it sets forth its esti-
 mated expenditures for property and facilities for the years 1954 and
 1955 as follows.

	<u>Gross Additions</u>		
	<u>1954</u>	<u>1955</u>	<u>Total</u>
Steam Production	\$27,728,698	\$10,146,677	\$ 37,875,375
Hydraulic Production	4,954,000	(319,513)	4,634,487
Transmission Lines	2,994,736	2,472,214	5,466,950
Transmission Substations	5,366,532	1,931,985	7,298,517
Distribution Lines	24,342,314	22,624,338	46,966,652
Distribution Substations	7,115,836	5,385,797	12,501,633
Other	4,556,319	2,982,435	7,538,754
Engineering, Administration, and Interest during Con- struction	<u>3,000,000</u>	<u>3,000,000</u>	<u>6,000,000</u>
Totals	<u>\$80,058,435</u>	<u>\$48,223,933</u>	<u>\$128,282,368</u>

Includes Estimated Expendi-
tures for 1955 not yet
Authorized

\$13,705,000 \$ 13,705,000

It has been applicant's practice to finance its construction requirements in part through the issue of bonds and shares of preferred and common stock. Its capital ratios as of June 30, 1954, and after giving effect to the proposed issue of bonds are as follows:

	<u>June 30, 1954</u>	<u>Pro Forma</u>
Bonds	45.5%	47.9%
Preferred and Preference Stock	18.1	17.4
Equity Capital	<u>36.4</u>	<u>34.7</u>
Totals	<u>100.0%</u>	<u>100.0%</u>

Applicant intends to offer its bonds for sale at competitive bidding, the price and the interest rate to be specified in the bid to be accepted by it. It asks that it be authorized to open its bids five days after the publication of the invitation for the same in lieu of the ten days required by the Commission's competitive bidding rule.

A review of the application indicates that applicant will have need for the funds to be obtained through the issue and sale of its bonds for the purposes indicated in this application. Accordingly, an order will be entered in the proceeding.

O R D E R

The Commission having considered the above entitled matter and being of the opinion that a public hearing is not necessary, that the application should be granted, as herein provided, that the money, property or labor to be procured or paid for by the issue and sale of the bonds herein authorized is reasonably required by applicant for the purposes specified herein, and that such purposes, except as otherwise authorized, are not, in whole or in part, reasonably chargeable to operating expenses or to income; therefore,

IT IS HEREBY ORDERED as follows:

1. Southern California Edison Company may invite the submission of written sealed bids for the purchase of \$30,000,000 in aggregate principal amount of its First and Refunding Mortgage Bonds, Series F, Due 1979, such invitation for bids to be published at least five days prior to the date set for the opening of the bids.
2. Southern California Edison Company may issue, sell and deliver, at competitive bidding, said \$30,000,000 of bonds at the price offered in said bids which will result in the lowest annual cost of money to applicant.
3. Southern California Edison Company may execute and deliver a Twelfth Supplemental Indenture, in, or substantially in, the same form as that filed in this proceeding as Exhibit D.
4. Southern California Edison Company shall use the proceeds to be received from the issue and sale of said bonds for the purposes set forth in this application. The accrued interest to be received on the sale of the bonds may be used for said purposes or for general corporate purposes.

5. Immediately upon awarding the contract for the sale of said \$30,000,000 of bonds, Southern California Edison Company shall file a report with the Commission showing, as to each bid received, the name of the bidder, the price, the interest rate and the cost of money to applicant based on such price and interest rate.

6. Southern California Edison Company shall file with the Commission monthly reports as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

7. The authority herein granted will become effective when Southern California Edison Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$10,500.00.

Dated at San Francisco, California, this 3rd day of August, 1954.

Robert E. Mitchell
President

Justus J. Callier

Samuel J. Patterson

Verne Higgins

Commissioners

