

ORIGINAL

Decision No. 53595

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, for an order exempting from the competitive bidding rule in Decision No. 38614, as amended by Decision No. 49941, the proposed issuance and sale of not to exceed 500,000 shares of Common Stock.

Application No. 38313

Bruce Renwick, Rollin E. Woodbury and Robert J. Cahall, by Rollin E. Woodbury, and O'Melveny & Myers, by Harry L. Dunn, for Applicant.

O P I N I O N

Southern California Edison Company has filed this application for an order exempting from competitive bidding a proposed issue of 500,000 shares of its common stock.

A public hearing on the application was held before Examiner Coleman in San Francisco on August 13, 1956, at which time the matter was taken under submission. The Commission has received no protests to the granting of applicant's request.

At this time, applicant is not seeking authorization to issue and sell its shares of stock. If the Commission in its decision in this proceeding should grant exemption, as requested, applicant intends to enter into negotiations for the sale of its shares and to file an appropriate application seeking authorization to issue and sell the shares and setting forth the terms of the purchase agreement and the purposes for which the proceeds will be used.

On a number of occasions, applicant has come before the Commission for authorization to issue and sell common shares by negotiation and by competitive bidding. A review of the applications shows that, with the negotiated proceedings, it was possible for applicant to relate the sale price of its shares more closely to the market price at the time the transactions were closed than was the case with competitive bidding, where once the invitations for bids had been published and the dates set for opening the bids, no flexibility remained with the company to correlate the sale of stock with changes in market conditions. Under market conditions presently prevailing, it seems quite likely that a better price could be obtained by applicant in a negotiated sale and, from a review of the evidence, the Commission is of the opinion that applicant's proposal to sell its shares of stock by means of a negotiated underwriting will not be adverse to the public interest and that, upon the showing made at this particular proceeding, an order is warranted granting applicant's request.

O R D E R

A public hearing having been held on the above-entitled matter, and the Commission having considered the evidence and being of the opinion that the application should be granted, as herein provided; therefore,

IT IS HEREBY ORDERED that the issue and sale by Southern California Edison Company of 500,000 shares of its common stock is exempted from the provisions of the Commission's competitive bidding rule set forth in Decision No. 38614, dated January 15, 1946, as amended by Decision No. 49941, dated April 20, 1954, provided that applicant obtain for said shares a price satisfactory to the Commission.

IT IS HEREBY FURTHER ORDERED that the authority herein granted will become effective on the date hereof.

Dated at San Francisco, California, this 21st day of August, 1956.

 President
Matthew J. Dooley
Robert W. Mitchell
P. Hardy

Commissioners

Peter E. Mitchell
Commissioner Matthew J. Dooley, being necessarily absent, did not participate in the disposition of this proceeding.