

**ORIGINAL**

Decision No. 53704

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 not to exceed  
500,000 shares of Common Stock  
of the par value of \$25 per share.

Application No. 38340  
(First Supplemental)

FIRST SUPPLEMENTAL ORDER

By Decision No. 53665, dated August 29, 1956, the Commission authorized Southern California Edison Company to issue 500,000 shares of common stock, par value \$25 each, and to sell said shares at a price to be fixed in a supplemental order.

In a first supplemental application filed in this proceeding on August 30, 1956, applicant has presented a copy of a proposed underwriting agreement for the sale of its shares which will provide for an initial public offering price to be determined by agreement between representatives of applicant and the underwriters on the basis of reported prices or quotations on the New York Stock Exchange immediately prior to such determination, which price shall be (a) not higher than the last sale regular way 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 the last sale regular way or the last bid, whichever is lower. The price to be paid to applicant will be an amount equal to the initial public offering price as thus determined less an amount to be determined by agreement but which shall be not in excess of two and one-half per cent of the initial public offering price.

The proposed agreement thus provides an area of discussion and sets up a band or range within which the final price will be fixed. In the final analysis, the price will be based on the reported prices or quotations on the market. In this connection, the first supplemental application shows that from July 30, 1956 to August 28, 1956, inclusive, applicant's common shares were reported sold on the New York Stock Exchange at prices ranging from a high of \$53-5/8 per share to a low of \$49-1/2 per share, with the last reported sale on August 28 being at \$49-5/8.

The procedure applicant now proposes is similar to that employed successfully by it in its 1954 common stock financing. It provides a limited period within which applicant may carry on its negotiations and it permits elasticity in timing the offering to meet market conditions. We are of the opinion that a final order should be entered at this time authorizing applicant to dispose of its shares in accordance with the terms of the underwriting agreement; therefore,

IT IS HEREBY ORDERED as follows:

1. Southern California Edison Company may issue and deliver not exceeding 500,000 shares of its common stock, which shares were authorized by Decision No. 53665, dated August 29, 1956, at a public offering price less an underwriting discount to be determined as provided in the form of underwriting agreement filed as Exhibit "A" to the first supplemental application in this proceeding.

2. Within 30 days after the sale of said shares, applicant shall file with the Commission a statement showing the date on which said shares were sold, the names of those to whom they were sold, the number of shares sold to each, and the price at which the shares were sold, together with three copies of the prospectus.

3. This first supplemental order will become effective on the date hereof.

Dated at San Francisco, California, this 4<sup>th</sup> day of September, 1956.

*John E. McNeill*  
President

*Justin J. Caswell*

*Raul V. Gutierrez*

*Wm. J. Doyle*

*Wm. J. Doyle*  
Commissioners