

Decision No. 57846

ORIGINAL

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 and exempting
such proposed issue from the require-
ments of the competitive bidding rule
in Decision No. 38614, as amended by
Decision No. 49941.

Application No. 40681
(First Supplemental)

FIRST SUPPLEMENTAL ORDER

By Decision No. 57813, dated January 6, 1959, 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 January 9, 1959, 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 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 not lower than 50 cents 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 November 1, 1958 to January 7, 1959, inclusive, applicant's common shares were reported sold on the New York Stock Exchange at prices ranging from a high of \$61-1/4 per share to a low of \$55-7/8 per share, with the last reported sale on January 7 being at \$60-1/4. Applicant reports that the New York Stock Exchange commission for stock in the current market price range of applicant's stock is approximately 45 cents per share for 100 share round-lot transactions.

The procedure applicant now proposes is similar to that employed successfully by it in its 1956 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:

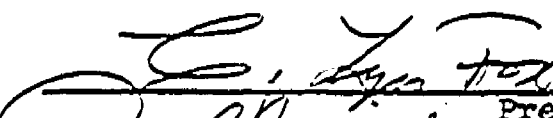
1. Southern California Edison Company may issue, sell and deliver not exceeding 500,000 shares of its common stock, which shares were authorized by Decision No. 57813, dated January 6, 1959, at a public offering price less an underwriting discount to be determined as provided in the form of underwriting agreement filed as Exhibit "A" attached to the first supplemental application in this proceeding.


2. Southern California Edison Company shall use the proceeds from the sale of said shares, after payment of obligations incurred for expenses incident to their issue and sale, to retire and discharge promissory notes and to reimburse its treasury for moneys actually expended from income, or from moneys not secured by, or obtained from, the issue of securities, for the purpose of acquiring properties or constructing, completing, extending and improving its facilities. It is the opinion of the Commission that the money, property or labor to be procured or paid for by the issue of said shares is reasonably required for the purposes specified herein, and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income.

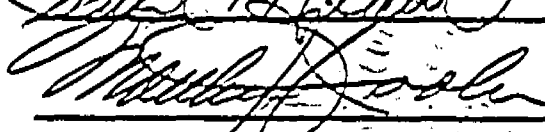
3. Within 30 days after the sale of said shares, applicant shall file with the Commission a statement showing the date on which said shares were sold, the names of those to whom they were sold, the number of shares sold to each, and the price at which the shares were sold, together with three copies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

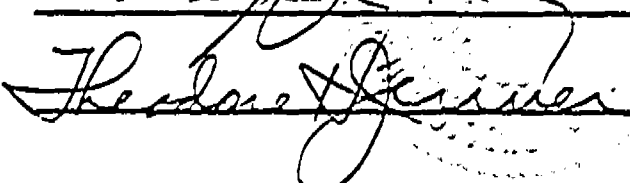
4. This first supplemental order will become effective on the date hereof.

Dated at San Francisco, California, this 13th day of January, 1959.



President






Commissioners