

ORIGINAL

Decision No. 65801

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 \$60,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series R, Due 1989, and to execute and deliver a Twenty-Fourth Supplemental Indenture.

Application No. 46155
Filed January 29, 1964

O P I N I O N

This is an application for an order of the Commission authorizing Southern California Edison Company, applicant herein, to execute a supplemental indenture and to issue and sell \$60,000,000 principal amount of First and Refunding Mortgage Bonds, Series R, Due 1989, for the purpose, generally, of obtaining funds to reimburse its treasury and to finance the cost of properties, and the construction, completion, extension and improvement of its facilities.

The company estimates that for the years 1964 and 1965 its new money requirements for new plant will be approximately \$45,000,000 and \$50,000,000, respectively. In addition, applicant reports that it will be required to pay by September 1, 1965, \$37,884,000 principal amount of bonds of its Series of 3s and by September 1, 1964, \$30,000,000 principal amount of bonds of its Series of 3-1/4s. Its requirements for these purposes

and for the purpose of repaying short-term notes totaling approximately \$47,000,000 will necessitate entering the security markets to obtain approximately \$210,000,000.

The company intends to sell its new bonds at competitive bidding, the successful bid to determine the interest rate. The bonds will be dated as of March 1, 1964, will mature March 1, 1989, and will carry a five-year restricted redemption provision similar to that frequently employed in bond offerings at the present time. Applicant reports that it has investigated the advisability of including such a provision and has concluded that this feature will result in a lower cost of money than otherwise would prevail and will tend to broaden the market among institutional buyers.

The Commission has considered this application and finds that -

1. The proposed bond issue is for proper purposes.
2. Applicant will have need for funds from external sources for the purposes set forth in this application.
3. The inclusion of the five-year restricted redemption provision in the terms of the bonds will enable applicant to obtain its funds at a lower annual cost than it otherwise could.
4. The money, property or labor to be procured or paid for by the issue of the bonds herein authorized is reasonably required for the purposes specified herein, which purposes, except as otherwise authorized, are not, in whole or in part, reasonably chargeable to operating expenses or to income.
5. A public hearing is not necessary.

On the basis of the foregoing findings, we conclude that the application should be granted. The action taken herein is for the purpose of this proceeding only and is not to be construed as indicative of amounts to be included in future proceedings for the purpose of determining just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company, on or after the effective date hereof and on or before July 31, 1964, may issue, sell and deliver not to exceed \$50,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series R, Due 1989, at competitive bidding at the price offered in the bids which will result in the lowest annual cost of money to applicant calculated in the manner provided in the bidding papers annexed to the application as Exhibit F, and may execute and deliver a Twenty-Fourth Supplemental Indenture in the same form, or substantially in the same form, as that annexed to the application as Exhibit E.

2. The invitation for the submission of written sealed bids for the purchase of said bonds may be given by publication not less than five days prior to the date set for the opening of the bids.

3. Southern California Edison Company shall use the proceeds from the sale of said bonds, exclusive of accrued interest, in the manner and for the purposes set forth in this

application. The accrued interest to be received may be used for said purposes or for general corporate purposes.

4. Immediately upon awarding the contract for the sale of said \$60,000,000 principal amount of bonds, Southern California Edison Company shall file a written 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 upon such price and interest rate.

5. Within thirty days after the issue and sale of the bonds herein authorized, Southern California Edison Company shall file with the Commission three copies of its prospectus.

6. The authority herein granted shall become effective when Southern California Edison Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code.

Dated at San Francisco, California, this 18th day of February, 1964.

William A. Bennett
President

Edward J. [unclear]

Edward [unclear]

George A. Grover

Frederick B. Hallock
Commissioners

