

ORIGINALDecision No. 71057

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 \$80,000,000 aggregate)
principal amount of its First)
and Refunding Mortgage Bonds,)
Series U, Due 1991, to execute)
and deliver a Twenty-Seventh)
Supplemental Indenture and to)
execute and deliver an)
Instrument of Further Assurance.)

Application No. 48631
Filed July 18, 1966

O P I N I O N

This is an application for an order of the Commission authorizing Southern California Edison Company to execute a Twenty-Seventh Supplemental Indenture and an Instrument of Further Assurance, and to issue and sell, at competitive bidding, \$80,000,000 principal amount of First and Refunding Mortgage Bonds, Series U, Due 1991.

After paying expenses incident to the issue and sale of said bonds, the company plans to use the proceeds, exclusive of accrued interest, (a) to retire and discharge short-term notes, drafts and bills of exchange and (b) to the extent that any of said proceeds may then remain available, to reimburse its treasury for moneys actually expended from income or from any other money in its treasury not secured by or obtained from the issue of securities, for the acquisition of property and the construction, completion, extension or improvement of

its facilities, exclusive of maintenance of service and replacements. Applicant states that the accrued interest, if any, will be used for any of said purposes or for general corporate purposes.

The application shows that the utility's uncanceled construction expenditures were approximately \$336,500,000 as of May 31, 1966, which amount has not been reimbursed from security issue proceeds, and that an estimated sum of \$577,462,818 will be expended for the company's construction program during the years 1966 and 1967.

Applicant intends to sell its new bonds at competitive bidding, the successful bid to determine the interest rate. The bonds will be dated as of August 15, 1966, will mature August 15, 1991, and will carry a five-year restricted redemption provision similar to that frequently employed in bond offerings at the present time. Its capital ratios as of May 31, 1966, and as adjusted to give effect to the proposed issue, are reported as follows:

	<u>May 31, 1966</u>	<u>Pro Forma</u>
Long-term debt	54.3%	56.2%
Preferred stock	7.0	6.7
Common stock equity	<u>38.7</u>	<u>37.1</u>
Total	<u>100.0%</u>	<u>100.0%</u>

The Commission has considered this matter and finds that:

1. The proposed bond issue is for proper purposes.
2. Applicant has need for funds from external sources for the purposes set forth in this application.

3. Applicant will be required to pay interest at a lower effective rate than it would in the absence of a restricted redemption provision.
4. The proposed Twenty-Seventh Supplemental Indenture and Instrument of Further Assurance will not be adverse to the public interest.
5. 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 for accrued interest, are not, in whole or in part, reasonably chargeable to operating expenses or to income.

On the basis of the foregoing findings we conclude that the application should be granted. A public hearing is not necessary. 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 proceedings for the determination of just and reasonable rates.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company may execute and deliver a Twenty-Seventh Supplemental Indenture and an Instrument of Further Assurance in the same form, or in substantially the same form, as those attached to the application as Exhibit E and Exhibit G, respectively.

2. Southern California Edison Company may invite the submission of written sealed bids for the purchase of not to exceed \$80,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series U, Due 1991, such invitation to be published at least five days prior to the date set for the opening of the bids.

3. Southern California Edison Company may issue, sell and deliver said bonds in the aggregate principal amount of not to exceed \$80,000,000 at the price offered in said bids which will result in the lowest annual cost of money to applicant calculated in the manner provided in the Statement of Terms and Conditions Relating to Bids attached to the application as a part of Exhibit F.

4. Southern California Edison Company shall use the proceeds from the sale of said bonds for the purposes set forth in the application.

5. Immediately upon awarding the contract for the sale of said 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.

6. 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 pertaining to said bonds.

7. Within six months after such issue and sale, Southern California Edison Company shall file with the Commission a statement, in lieu of a report under General Order No. 24-B, disclosing the purposes for which the bond proceeds were used.

8. This order shall become effective on the day of payment by Southern California Edison Company of the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$23,000, or on the fifth day after the date hereof, whichever day is later.

Dated at San Francisco, California, this 2nd day of AUGUST, 1966.

[Signature]
President

[Signature]

[Signature]

[Signature]

[Signature]
Commissioners

