

**ORIGINAL**

Decision No. 72336

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 V, Due 1992, to )  
execute and deliver a Twenty- )  
Eighth Supplemental Indenture )  
and to execute and deliver an )  
Instrument of Further Assurance. )

Application No. 49255  
Filed April 3, 1967

O P I N I O N

In this application Southern California Edison Company seeks authorization from the Commission to execute and deliver a Twenty-Eighth Supplemental Indenture and an Instrument of Further Assurance, and to issue, sell and deliver, at competitive bidding, \$80,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series V, Due 1992.

Applicant plans to use the proceeds from the issue and sale of the bonds, after payment and discharge of obligations incurred for expenses incident to their issue and sale, and exclusive of accrued interest, (a) to retire and discharge short-term notes, drafts and bills of exchange, and (b) 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 for the construction, completion, extension or improvement of its facilities, exclusive of maintenance of service and replacements. Applicant states that accrued interest will be used for any of said purposes or for general corporate purposes.

The application indicates that the utility has expended for construction approximately \$364,640,000 as of February 28, 1967, which amount has not been reimbursed from proceeds of the sale of securities. Applicant estimates that a sum of \$640,981,000 will be expended for its extensive construction program during the years 1967 and 1968.

The company proposes to sell its new bonds at competitive bidding, the successful bid to determine the interest rate. The bonds will mature May 15, 1992, and will carry a five-year restricted redemption provision similar to that frequently employed in bond offerings at the present time.

Applicant's capital ratios as of February 28, 1967, and as adjusted to give effect to the issuance of certain preferred stock pursuant to previous authorization and to the bond issue proposed herein, are reported as follows:

	<u>February 28, 1967</u>	<u>Pro Forma</u>
Long-term debt	54.2%	55.6%
Preferred stock	8.7	8.8
Common stock equity	<u>37.1</u>	<u>35.6</u>
	<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 the proposed restricted redemption provision.
4. The proposed Twenty-Eighth 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-Eighth 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 V, Due 1992, 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 proposed Statement of Terms and Conditions Relating to Bids, a copy of which is attached to the application as 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.

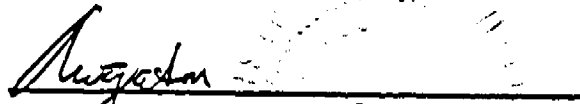
7. Within three months after such issue and sale, Southern California Edison Company shall file with the Commission a statement, in lieu of a report under General Order No. 24-B, disclosing the purposes for which the bond proceeds were used.

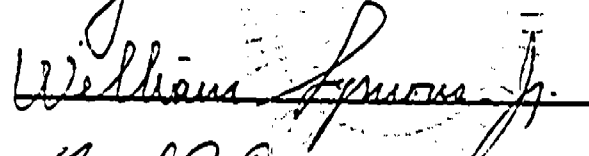
8. This order shall become effective on the day of payment by Southern California Edison Company of the fee

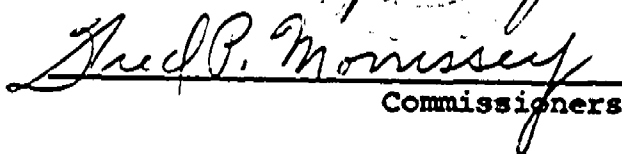
prescribed by Section 1904(b) of the Public Utilities Code,  
which fee is \$23,000, or on the fifth day after the date  
hereof, whichever day is later.

Dated at Los Angeles, California,  
this 25<sup>th</sup> day of APRIL, 1967.

  
President





  
Commissioners

Commissioner William M. Bennett, being  
necessarily absent, did not participate  
in the disposition of this proceeding.

