

Decision No. 73637

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 \$100,000,000 aggregate)
principal amount of its First)
and Refunding Mortgage Bonds,)
Series W, Due 1993, to execute)
and deliver a Twenty-Ninth)
Supplemental Indenture and to)
execute and deliver an Instrument)
of Further Assurance.)

Application No. 49912
Filed January 2, 1968

O P I N I O N

This is an application for an order of the Commission authorizing Southern California Edison Company to execute and deliver a Twenty-Ninth Supplemental Indenture and an Instrument of Further Assurance, and to issue, sell and deliver, at competitive bidding, not exceeding \$100,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series W, Due 1993.

After payment and discharge of obligations incurred for expenses incident to the issuance and sale of said bonds, applicant will use the bond proceeds, other than accrued interest, (a) to retire and discharge promissory notes, drafts and/or bills

of exchange, and (b) to reimburse itself for moneys actually expended by it from income or other moneys in its treasury not secured by or obtained from the issuance of securities, for the acquisition of property, or for the construction, completion, extension or improvement of its facilities, exclusive of maintenance of service and replacements. The accrued interest will be used for any of said purposes or for general corporate purposes.

The utility reports uncapitalized construction expenditures of \$432,540,426 as of November 30, 1967, and estimated gross expenditures of \$683,753,100 for its 1968 and 1969 construction program.

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

Applicant's capitalization percentages as of November 30, 1967, and as adjusted to give effect to a proposed issuance of 1,500,000 shares of common stock at an assumed price of \$35 per share and to the bond issue proposed herein, are reported as follows:

	<u>November 30, 1967</u>	<u>Pro Forma</u>
Long-term debt	54.9%	55.6%
Preferred stock	8.7	8.1
Common stock equity	<u>36.4</u>	<u>36.3</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 the proposed restricted redemption provision.
4. The proposed Twenty-Ninth 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-Ninth 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 exceeding \$100,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series W, Due 1993, 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 exceeding \$100,000,000 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 apply the proceeds from the sale of said bonds to the purposes referred to 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 on 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 \$28,000, or on the fifth day after the date
hereof, whichever day is later.

Dated at San Francisco, California,
this 16th day of JANUARY, 1968.

[Signature]
President

[Signature]
[Signature]
[Signature]
Commissioners

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

