

ORIGINAL

Decision No. 85491

## 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, at competitive bidding, not	)	Application No. 56244
exceeding \$125,000,000 aggregate	)	(Filed January 30, 1976)
principal amount of its First and	)	
Refunding Mortgage Bonds, Series GG,	)	
to execute and deliver a Thirty-Ninth	)	
Supplemental Indenture, and to execute	)	
and deliver an Instrument of Further	)	
Assurance.	)	

O P I N I O N

Southern California Edison Company seeks authority to execute and deliver a Thirty-Ninth Supplemental Indenture and an Instrument of Further Assurance, and to issue, sell and deliver, at competitive bidding, not exceeding \$125,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series GG. In addition, the company requests a determination that to situate and structure the issuance, sale and delivery of the new bonds under the laws of the State of New York would not be adverse to the public interest.

After payment and discharge of obligations incurred for expenses incident to the issuance and sale of said bonds, applicant proposes to use the bond proceeds (other than accrued interest which would be used for general corporate purposes) to reimburse its treasury for moneys expended (a) to retire and discharge \$35,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series C, due February 15, 1976, and (b) to reimburse its treasury for uncapitalized construction expenditures. The utility reports uncapitalized construction

expenditures of approximately \$560,384,000 as of December 31, 1975, and estimates that the gross expenditures for its construction program during the years 1976 and 1977 will approximate \$1,257,817,000.

Applicant's capital ratios as of December 31, 1975, and as adjusted to give effect to the proposed bond issue, are summarized from the application as follows:

	<u>December 31, 1975</u>	<u>Pro Forma</u>
Long-term debt	49.2%	50.7%
Preferred and preference stock	14.8	14.4
Common stock equity	<u>36.0</u>	<u>34.9</u>
Total	<u>100.0%</u>	<u>100.0%</u>

After consideration the Commission finds that:

1. The proposed bonds would be for proper purposes.
2. Applicant has need for external funds for the purposes set forth in the application.
3. The proposed Thirty-Ninth Supplemental Indenture and an Instrument of Further Assurance would not be adverse to the public interest.
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 for accrued interest, are not, in whole or in part, reasonably chargeable to operating expenses or to income.
5. To situate and structure the issuance and sale of applicant's Series GG bonds in the State of New York without restricting the market for such bonds to areas outside California would not be adverse to the public interest.

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:

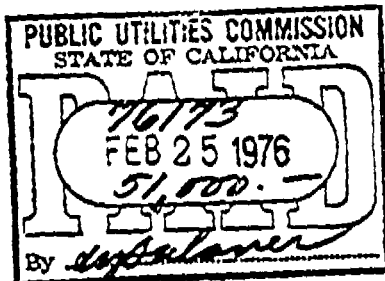
1. Southern California Edison Company may execute and deliver a Thirty-Ninth Supplemental Indenture and an Instrument of Further Assurance in substantially the same forms as those attached to the application as Exhibits E and G, respectively.
2. Southern California Edison Company may issue, sell and deliver, at competitive bidding, not exceeding \$125,000,000 aggregate principal amount of its First and Refunding Mortgage Bonds, Series GG, at the price offered in a bid which shall provide the lowest annual cost of money to applicant calculated in the manner provided in the Statement of Terms and Conditions Relating to Bids, a copy of which is attached to the application as a part of Exhibit F.
3. Southern California Edison Company shall apply the proceeds from the sale of said bonds to the purposes referred to in the application.
4. Promptly after 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.

5. As soon as available, Southern California Edison Company shall file with the Commission three copies of its final prospectus pertaining to said bonds.

6. Within one month 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.

7. This order shall become effective when Southern California Edison Company has paid the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$51,000.

Dated at San Francisco, California, this 20<sup>th</sup> day of FEBRUARY, 1976.



[Signature]  
President  
William Lyman Jr.  
Vernon L. Sturgeon  
Leonard Koon

Commissioners

Commissioner Robert Batinovich, being necessarily absent, did not participate in the disposition of this proceeding.