

Decision 84 03 051

MAR 21 1984

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
 SOUTHERN CALIFORNIA EDISON COMPANY) Application 84-01-52
 a California Corporation for) (Filed January 23, 1984)
 authorization to split its common)
 shares on a two-for-one basis.)
 _____)

OPINION

Southern California Edison Company (Edison) requests authority, under Public Utilities (PU) Code Sections 816 through 818, for the following:

1. To split each share of its Common Stock, \$8-1/3 par value, outstanding on the effective date of such split, into two shares of Common Stock, \$4-1/6 par value, and to issue and deliver stock certificates representing the additional common shares to the individuals entitled to such documents; and
2. To make proportionate adjustment to the conversion features of the following securities and to split each of the remaining authorized but unissued shares of Common Stock, \$8-1/3 par value, into two shares of Common Stock, \$4-1/6 par value, with regard to the stock which remains unissued in the following authorities on the effective date of the common stock split;

<u>Decision(D.)</u>	<u>Date of Decision</u>	<u>Application(A.)</u>	<u>Security</u>
D.74513	August 6, 1968	A.50375	Preference Stock, 5.20% Convertible Series
D.82-06-011	June 2, 1982	A.82-05-01	12-1/2% Convertible Subordinated Debentures, Due 1997

3. To split each of the remaining authorized but unissued shares of Common Stock, \$8-1/3 par value, into two shares of Common Stock, \$4-1/6 par value, with regard to the stock which remains unissued in the following authorities on the effective date of the common stock split.

<u>Decision</u>	<u>Date of Decision</u>	<u>Application</u>	<u>Security or Plan</u>
D.93677 & D.83-10-006	November 3, 1981 October 5, 1983	A.60926	Public Offering of Common Stock
D.82-06-058	June 15, 1982	A.82-04-23	Stock Savings Plus Plan (formerly Employee Stock Purchase Plan)
D.82-11-055	November 17, 1982	A.82-09-38	Dividend Reinvestment and Stock Purchase Plan
D.83-03-006	March 2, 1983	A.83-01-43	Employee Stock Ownership Plan

Summary of Decision

This decision grants Edison the authority requested in the application.

Notice of the filing of the application appeared on the Commission's Daily Calendar of January 27, 1984. No protests have been received.

Edison, a California Corporation, operates as a public utility under the jurisdiction of this Commission. Edison engages primarily in the business of generating, purchasing, transmitting, distributing and selling electric energy for light, heat and power in portions of central and southern California.

Under Edison's Restated Articles of Incorporation previously filed with the Commission in connection with A.60713, the utility may issue up to 140,000,000 shares of Common Stock, \$8-1/3 par value. Edison intends to amend such Articles to split these shares on a two for one basis and to increase to 280,000,000 the authorized number of shares of Common Stock, \$4-1/6 par value.

Also, in connection with the common stock split, Edison proposes to amend its Restated Articles of Incorporation to modify certain preferred and preference stock dividend and voting rights to maintain, after the effective date of the common stock split, the existing relationships among outstanding classes of stock.

As of December 31, 1983, Edison reported that it had issued and had outstanding a total of 100,740,155 shares of Common Stock, \$8-1/3 par value.

Edison states that the proposed split is expected to place the price of the utility's Common Stock at a more attractive level for many investors, as well as broaden investor interest in owning the Common Stock.

Finally, Edison requests Commission approval to increase the number of shares of Common Stock authorized but unissued on the effective date of the proposed common stock split, and to make the appropriate proportionate adjustments under the following decisions:

1. Preference Stock. 5.20% Convertible Series

D.74513 dated August 6, 1968 in A.50375 authorized the issuance of the necessary number of shares of Common Stock, \$8-1/3 par value, upon the conversion of shares of Preference Stock, 5.20% Convertible Series. Approximately 2,030,905 shares of Common Stock, \$8-1/3 par value, have been issued as of January 10, 1984, and approximately 245,192 shares of such preference stock, convertible into 194,596 shares of Common Stock, \$8-1/3 par value, remain outstanding.

2. Public Offering of Common Stock

D.93677 dated November 3, 1981 as extended by D.83-10-006 dated October 5, 1983 in A.60926 authorized the public offering, issuance and sale of 8,000,000 shares of Common Stock, \$8-1/3 par value. Of the 8,000,000 shares authorized, 5,000,000 shares of Common Stock, \$8-1/3 par value, have been sold as of January 10, 1984.

3. 12-1/2% Convertible Subordinated Debentures, Due 1997

D.82-06-011 dated June 2, 1982 in A.82-05-01 authorized the issuance of the necessary number of shares of Common Stock, \$8-1/3 par value, upon the conversion of the 12-1/2% Convertible Subordinated Debentures, Due 1997, of Southern California Edison Finance Company N.V. No conversions have occurred as of January 10, 1984, and \$50,000,000 principal amount of such debentures, convertible into 1,544,401 shares of Common Stock, \$8-1/3 par value, remain outstanding.

4. Stock Savings Plus Plan (formerly Employee Stock Purchase Plan)

D.82-06-058 dated June 15, 1982 in A.82-04-23 authorized the issuance and sale of 2,000,000 shares of Common Stock, \$8-1/3 par value, pursuant to Edison's Stock Savings Plus Plan. Approximately 465,981 shares of Common Stock, \$8-1/3 par value, have been issued as of January 10, 1984.

5. Dividend Reinvestment and Stock Purchase Plan

D.82-11-055 dated November 17, 1982 in A.82-09-38 authorized the issuance and sale of 7,000,000 shares of Common Stock, \$8-1/3 par value, pursuant to Edison's Dividend Reinvestment and Stock Purchase Plan. Approximately 1,598,726 shares of Common Stock, \$8-1/3 par value, have been issued as of January 10, 1984.

6. Employee Stock Ownership Plan

D.83-03-006 dated March 2, 1983 in A.83-01-43 authorized the issuance and sale of 1,700,000 shares of Common Stock, \$8-1/3 par value, pursuant to Edison's Employee Stock Ownership Plan. Approximately 265,449 shares of Common Stock, \$8-1/3 par value, have been issued as of January 10, 1984.

To such an extent that the authorization in each of the above decisions will not have been utilized by the effective date of the common stock split, Edison seeks authorization to increase unissued shares, in accordance with the proposed common stock split referred to above, so that each of the authorized unissued shares of Common Stock, \$8-1/3 par value, for each of the above also would be split into two shares of Common Stock, with a \$4-1/6 par value, for each share.

The Commission's Revenue Requirements Division has reviewed Edison's application to split its Common Stock, \$8-1/3 par value, into a two for one ratio. The Division has no objection to the proposed common stock split.

Findings of Fact

1. Edison, a California corporation, operates as a public utility under the jurisdiction of this Commission.

2. The proposed issue of two shares of Common Stock, \$4-1/6 par value, in exchange for existing shares of Common Stock, \$8-1/3 par value, is for proper purposes.

3. The transaction will not be adverse to the public interest.

4. In regard to the two for one common stock split, the proposed increase in the number of shares of Common Stock authorized by Commission decisions in connection with Edison's Preference Stock, 5.20% Convertible Series; Public Offering of Common Stock; 12-1/2% Convertible Subordinated Debentures, Due 1997; Stock Savings Plus Plan; Dividend Reinvestment and Stock Purchase Plan; and Employee Stock Ownership Plan (to such an extent that the authorization in each decision has not been exercised by the effective date of the proposed common stock split) and other proportionate adjustments are reasonable and for proper purposes.

5. There is no known opposition to the application and no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.

2. The application should be granted to the extent set forth in the order which follows.

A.84-01-52 RR/CFF/WN *

The number of common shares outstanding, the total par value of the shares, and the dividends paid do not determine allowable return on plant investment. This authorization to split the Common Stock into a two for one ratio and to lower the par value from $\$8\frac{1}{3}$ to $\$4\frac{1}{6}$ is not a finding of the value of Edison's Common Stock or property, nor does it indicate the amounts to be included in ratesetting proceedings. ✓

The following order should be effective on the date of signature to permit Edison to proceed with its stock split and the issuance of its Common Stock expeditiously.

ORDER

IT IS ORDERED that:

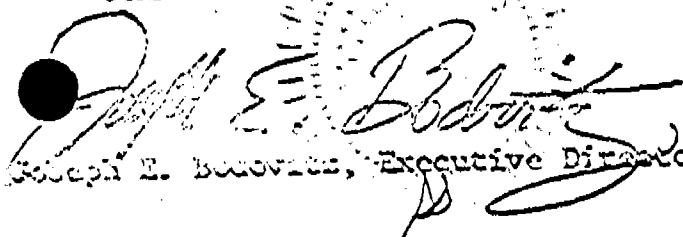
1. Southern California Edison Company (Edison), on or after the effective date of this order, may split each outstanding share of its Common Stock into two shares of Common Stock having a par value of \$4-1/6 per share, and Edison may issue and deliver certificates representing the additional shares to the individuals entitled to such Common Stock. ✓

2. Edison may make proportionate adjustments and may increase the number of shares of its Common Stock authorized but unissued under D.74513; D.93677 and D.83-10-006; D.82-06-011; D.82-06-058; D.82-11-055; and D.83-03-006; with regard to Edison's Preference Stock, 5.20% Convertible Series; Public Offering of Common Stock; 12-1/2% Convertible Subordinated Debentures, Due 1997; Stock Savings Plus Plan; Dividend Reinvestment and Stock Purchase Plan; and Employee Stock Ownership Plan; respectively. Also Edison may reduce the par value of each such shares from \$8-1/3 to \$4-1/6, in accordance with the proposed two for one common stock split, to such an extent that those authorized shares will not have been issued by the effective date of the proposed common stock split.

This order is effective today.

Dated MAR 21 1984, at San Francisco, California.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS.


Joseph E. Borovick, Executive Director -8-

LEONARD M. GRIMES, JR.
President
VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

Commissioner William T. Bagley
being necessarily absent, did
not participate.