

Decision No. 86930**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOUTHERN CALIFORNIA)
 EDISON COMPANY to issue and sell)
 not exceeding 2,500,000 shares of)
 \$25 Par Value Preference Stock,)
 7.375% Series.)

Application No. 57012
 (Filed January 17, 1977)
 and Amendment
 (Filed January 28, 1977)

O P I N I O N

Southern California Edison Company seeks authority to issue, sell and deliver not exceeding \$62,500,000 aggregate par value of its \$25 par value Preference Stock with an annual dividend rate of not exceeding 7.625%.

After payment and discharge of obligations incurred for expenses incident to the issuance and sale of the stock, applicant proposes to use the proceeds to reimburse its treasury for uncapitalized construction expenditures.

The company's capitalization ratios as of September 30, 1976, and as adjusted to give effect to previously authorized common stock issued during the last quarter of 1976, and to the proposed \$62,500,000 aggregate par value of preference stock, are summarized from the application as follows:

	<u>September 30, 1976</u>	<u>Pro Forma</u>
Long-term debt	49.7%	47.7%
Preferred and preference stock	14.1	15.0
Common stock equity	36.2	37.3
Total	<u>100.0%</u>	<u>100.0%</u>

On or about February 15, 1977, applicant contemplates selling the preference stock by a private placement to institutional purchasers at a price of \$25 per share plus accrued dividends, if any. For services in placing the stock, the utility would pay Merrill Lynch, Pierce, Fenner & Smith Incorporated a maximum aggregate fee of not exceeding .7% of the proceeds. In addition, applicant anticipates paying not exceeding \$45,000 for certain expenses of the purchasers, including fees and disbursement costs of their special counsel.

After consideration the Commission finds that:

1. The proposed stock would be for a proper purpose.
2. Applicant has need for external funds for the purpose set forth in this proceeding.
3. The money, property or labor to be procured or paid for by the stock herein authorized is reasonably required for the purpose specified herein, which purpose is not, in whole or in part, reasonably chargeable to operating expenses or to income.
4. There is no known opposition and there is no reason to delay granting the relief requested.

On the basis of the foregoing findings we conclude that the application, as amended, should be granted. A public hearing is not necessary.

In issuing our order herein, we place applicant and its shareholders on notice that we do not regard the number of shares outstanding, the total par value of the shares nor the dividends paid as measuring the return it should be allowed to earn on its investment in plant, and that the authorization herein granted is not to be construed as a finding of the value of the company's

stock or properties nor 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:

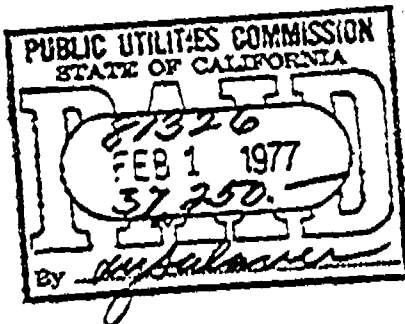
1. Southern California Edison Company may issue, sell and deliver not exceeding 2,500,000 shares of its \$25 par value Preference Stock with an annual dividend rate of not exceeding 7.625%, at a price of not less than \$25 per share, upon substantially the terms and conditions set forth in Exhibit E attached to the application.

2. Southern California Edison Company shall apply the net proceeds from the sale of said stock to the purpose set forth in the application.

3. Southern California Edison Company shall file with the Commission the report required by General Order 24-B, which order, insofar as applicable, is hereby made a part of this order.

4. This order shall become effective when Southern California Edison Company has paid the fee prescribed by Section 1904.1 of the Public Utilities Code, which fee is \$37,250.

Dated at San Francisco, California, this 15th day of FEBRUARY, 1977.



Rolaf B. ...
President
William ...
...
...
Commissioners