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Decision No. 88616 MAR 21 1978

**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 an Order modifying )  
 Decision No. 82731 dated April 16, )  
 1974 (as extended by Decisions Nos. )  
 84241 dated March 25, 1975 and 88226 )  
 dated December 13, 1977) to increase )  
 Applicant's authorization to incur )  
 short-term obligations payable at )  
 periods of not more than twelve months )  
 after the date of issuance, by a )  
 principal amount of \$84,252,542 in excess )  
 of that authorized by the Public Utilities )  
 Code Section 823(c) and prior Commission )  
 authorization. )

Application No. 57846  
(Filed February 2, 1978)

O P I N I O N

Southern California Edison Company (Edison) seeks authority to issue and sell short-term obligations in an aggregate amount of not exceeding \$149,127,803 beyond that authorized by Section 823(c) of the Public Utilities Code.

By Decision No. 82731, dated April 16, 1974 in Application No. 54763, the Commission authorized Edison to issue short-term notes on or before April 1, 1975 in an aggregate amount not exceeding \$64,875,261 beyond that authorized by Public Utilities Code Section 823(c). Decision No. 84241, dated March 25, 1975 authorized Edison to extend the time for issuing said notes to December 31, 1977 and a further extension to December 31, 1979 was granted by Decision No. 88226, dated December 13, 1977.

Section 823(c) requires public utilities as defined in Section 201(e) of the Federal Power Act (49 Stat. 847, 16 U.S.C. 824) to obtain the consent of this Commission to issue notes payable at not more than twelve months from the date of issuance if the total of notes exceeds 5% of the par value of other securities outstanding. Edison is such a utility.

The Operations Division has reviewed Edison's construction program in connection with the current rate proceeding in Application No. 57602 and has concluded that the proposed interim financing is necessary and consistent with budget requirements; however, the Operations Division reserves the right to further review construction expenditures in connection with future rate proceedings. The Finance Division concludes that the proposed short-term borrowings are appropriate under the circumstances.

After consideration the Commission finds that: (1) the proposed short-term notes and other evidences of indebtedness would be for proper purposes; (2) the money, property or labor to be procured or paid for by the evidences of short-term indebtedness herein authorized is reasonably required for the purposes specified herein; and (3) such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income. There is no known opposition and no reason to delay granting the authority requested in the application. A public hearing is not necessary.

On the basis of the foregoing findings we conclude that the application should be granted. The action taken herein shall not be construed as indicative of amounts to be included in proceedings for the determination of just and reasonable rates, nor as indicative of the action the Commission would take on an application, or applications, for permanent financing.

O R D E R

IT IS ORDERED that:

1. Southern California Edison Company, on or after the effective date hereof and on or before January 2, 1980, may issue and sell short-term notes and other evidences of short-term obligations in an aggregate principal amount not exceeding \$149,127,803 beyond that authorized by Section 823(c) of the Public Utilities Code, on the terms and for the purposes specified in the application.

In this proceeding, Edison proposes to issue short-term obligations from time to time through January 2, 1980 in an aggregate principal amount of \$325 million to be evidenced by short-term notes and notes renewing and refunding such short-term notes, by commercial paper and bankers acceptances, and by other types of short-term documents. The \$325 million of proposed short-term borrowings exceeds the limitations of Section 823(c) by \$149,127,803, a portion of which excess, namely \$64,875,261, had been previously authorized by the decisions cited herein.

Edison currently has lines of credit based on the prime rate of banks exceeding \$161 million in addition to a bankers acceptance line of credit totalling \$150 million, and other lines of credit and short-term borrowing sources are available. On December 31, 1977 the company had outstanding about \$135 million of short-term obligations in the form of commercial paper.

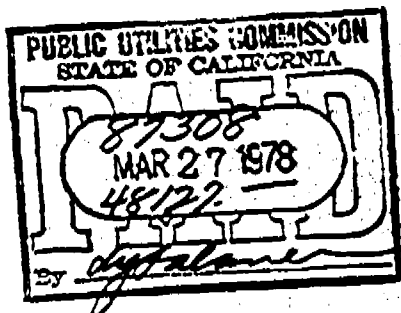
Proceeds from the interim financing proposed herein would be used for all of the purposes specified in Section 817 of the Public Utilities Code, including plant construction. In that regard Edison reports unreimbursed capital expenditures of \$773 million on December 31, 1977 and estimated total outlays of \$1.2 billion for construction over the next two years.

Edison plans to repay a portion of its short-term obligations with funds available from internal sources and the proceeds from issuance and sale of additional securities, including short-term obligations which may be issued to renew or refund previously outstanding short-term indebtedness. With respect to such renewals of short-term paper, the combined terms of the original obligation and the renewal or refunding obligation would not exceed twelve months and no renewal or refunding document would be issued more than twelve months after the date of issue of the original obligation.

2. On or before the 15th day of each month, Southern California Edison Company shall file with the Commission a summary for the preceding month showing the aggregate amount of notes issued hereunder and the purposes for which they were issued. The filing shall be in lieu of reports under General Orders 24-B and 44.

3. This order shall become effective ten days from the date of issuance hereof upon payment by Southern California Edison Company of the fee prescribed by Section 1904(b) of the Public Utilities Code, which fee is \$48,127.

Dated at San Francisco, California, this 21st day of MARCH, 1978.



Robert B. Berman  
President  
William J. ...  
Verizon L. ...  
Charles D. ...  
Clair T. ...  
Commissioners