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ORIGINALDecision No. 89463 OCT 3 1978

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SOUTHERN CALIFORNIA EDISON)	
COMPANY, to issue and sell not exceeding)	Application No. 58268
2,100,000 shares of Common Stock of the)	(Filed August 3, 1978)
par value of \$8-1/3 per share.)	

O P I N I O N

Southern California Edison Company (Edison) seeks authority to issue and sell not exceeding 2,100,000 shares of its common stock of the par value of \$8-1/3 per share in accordance with its Dividend Reinvestment and Stock Purchase Plan (Plan).

One million shares of common stock were initially authorized for the Plan by Decision No. 84882, dated September 10, 1975, in Application No. 55870 and the first shares were issued in February, 1976. The Plan provides the utility's shareholders with a simple and convenient method of reinvesting cash dividends and investing limited supplemental cash payments in additional shares of common stock of the company. Bank of America National Trust and Savings Association (Bank) acts as agent for the participating common stock shareholders of record and administers the Plan for the participants.

By the present application, Edison proposes to issue 2,100,000 additional shares of its common stock to the Bank for meeting the requirements of the Plan. The number of shares requested is based on the company's best estimate of the number of shares to be issued under the Plan for a period of approximately three years. The company expects that some of the new stock may be issued as early as November, 1978. The assumed price per share is \$26.00, which would result in total proceeds of \$54,600,000.

The proceeds will be used to reimburse the applicant for monies expended from income or treasury funds and not secured by or obtained from the issuance of stock, bonds, notes or other evidences of ownership or indebtedness, and used for the acquisition of property, or for the construction, completion, extension or improvement of its facilities. Such unreimbursed expenditures amounted to \$941,434,000 as of June 30, 1978. Capital expenditures for the years 1978 and 1979 are estimated to be in excess of \$1.2 billion.

Edison's capital structure is not expected to be altered significantly by the issue and sale of the proposed common stock, when considered on a pro forma basis in combination with the company's other recently offered and proposed stock^{1/} and debt issues.^{2/}

The Finance Division and the Operations Division agree that the proposed issue and sale of stock is appropriate in the circumstances.

After consideration the Commission finds that:

1. The proposed stock issue would be for a proper purpose.
2. Applicant has need for external funds for the purpose set forth herein.
3. The Dividend Reinvestment and Stock Purchase Plan is not adverse to the public interest.
4. 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.

There is no known opposition to Edison's application and no reason not to grant the authority requested effective when Edison has paid the prescribed fee. A public hearing is not necessary. In issuing our order herein, we place applicant

^{1/} Authorized by Decision No. 88872, dated May 31, 1978, in Application No. 57998.

^{2/} Application No. 58269, filed August 3, 1978.

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, or or after the effective date hereof, may issue, sell and deliver not exceeding 2,100,000 shares of its common stock substantially in accordance with the Description of Dividend Reinvestment and Stock Purchase Plan and Dividend Reinvestment and Stock Purchase Plan Agreement set forth in Exhibits E and F, respectively, attached to the application.
2. Southern California Edison Company shall apply the net proceeds from the sale of stock herein authorized to the purpose set forth in the application.
3. On or before the twenty-fifth day of each month, Southern California Edison Company shall file with the Commission a summary for the preceding month showing the total number of shares issued under the authority herein granted, the price or prices at which such shares were issued, the total proceeds received and the purpose for which the proceeds were used. These filings shall be in lieu of reports under General Order No. 24-B.
4. This order shall become effective when Southern California Edison Company has paid the fee prescribed by

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Section 1904.1 of the Public Utilities Code, which fee is \$33,300.

Dated at San Francisco, California, this 3rd day of OCTOBER, 1978.

Robert Bateman
President
William J. ...
...
Charles D. ...
Clair T. ...
Commissioners

