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**ORIGINAL**

Decision 96-07-054 July 17, 1996

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 Decision Nos. )  
 84241, dated March 25, 1975 and 88226, )  
 dated December 13, 1977) and Decision )  
 No. 88616, dated March 21, 1978 (as )  
 extended by Decision No. 91033, dated )  
 November 20, 1979) to increase Appli- )  
 cant'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 \$292,160,699 in excess of )  
 that authorized by the Public Utili- )  
 ties Code Section 823(c) and prior )  
 Commission authorization. )  
 (U 338-E) )

Application 59461  
(Petition for Modification  
Filed May 24, 1996)

S U P P L E M E N T A L O P I N I O N

Summary of Decision

This decision grants Southern California Edison Company (Edison) the authority requested in its petition for modification of Decision (D.) 91433, in Application (A.) 59461.

Edison requests modification of the decision pursuant to Rule 47 (formerly Rule 43) of the Commission's Rules of Practice and Procedure, to extend the authorization period granted to June 30, 1999.

Notice of the filing appeared on the Commission's Daily Calendar on May 28, 1996. No responses have been received.

Background

Edison, a California corporation, is a public utility under the jurisdiction of this Commission, and is primarily engaged in the business of generating, purchasing, transmitting,

distributing, and selling electric energy for light, heat, and power in portions of Central and Southern California.

D.91433, dated March 18, 1980, as extended by D.93787, dated December 1, 1981; D.84-05-060, dated May 16, 1984; D.85-06-010, dated June 5, 1985; D.87-05-044, dated May 29, 1987; D.90-08-050, dated August 8, 1990; and D.93-09-035, dated September 1, 1993, authorized Edison to use short-term obligations up to an aggregate amount not to exceed \$441,288,502<sup>1</sup> beyond the amount authorized by PU Code § 823(c).

Modification Sought

Edison seeks to extend the authorization in D.91433, as extended, until June 30, 1999.

Discussion

PU Code § 823(c) states in part:

... no public utility shall, without the consent of the commission, issue notes payable at period of not more than 12 months after the date of issuance of the notes if such notes and all other notes payable at periods of not more than 12 months after the date of issuance of such notes on which such public utility is primarily or secondarily liable would exceed in aggregate amount 5 percent of the par value of the other securities then outstanding.

Edison states in the petition for modification that generally, it has not exceeded the 5% limit on short-term debt. However, D.91433, as extended, is important to Edison because it allows necessary flexibility to increase short-term borrowings for a period of time when market conditions may make long-term

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<sup>1</sup> D.82731, in A:59461, authorized an aggregate principal amount of \$149,127,803 short-term obligations (beyond the 5% limit prescribed by Public Utilities (PU) Code § 823(c)); D.91433 as extended granted \$292,160,699 additional authority (bringing the authorized amount in excess of 5% to an aggregate principal amount of \$441,288,502).

financing unattractive. Edison claims that when market conditions for long-term securities improve, the short-term borrowings would be reduced.

For purposes of this petition for modification, we will extend the authorization granted in D.91433, as extended, to June 30, 1999. We will, however, include in this order a provision that Edison must maintain or bring down the aggregate amount of short-term borrowings to 5% of the par value of the other securities then outstanding at least once every twelve months. This will ensure that Edison's debt portfolio will not be concentrated in short term instruments for an excessive period of time, while allowing Edison the flexibility to pursue the benefits of short-term financing when market conditions for such are favorable.

Because of the filing date of the petition and the time allowed for responses under Rule 47(f) of the Rules of Practice and Procedure, it was not possible for the Commission to issue an order prior to June 30, 1996, the expiration date of the authority granted in D.91433, as extended. Therefore, our action on this matter will be effective as of June 30, 1996, nunc pro tunc. Edison is directed to make future similar filings early enough to allow us to act before its financing authority has lapsed.

#### Findings of Fact

1. The proposed extension of time to June 30, 1999, during which Edison may issue short-term notes in an aggregate principal amount up to \$441,288,502 beyond the amount authorized by PU Code § 823(c) at any one time, as authorized by D.91433 as extended, would be for proper purposes and would not be adverse to the public interest.

2. Requiring Edison to maintain or bring down the aggregate amount of short-term borrowings to 5% of the par value of the other securities then outstanding at least once every twelve months is reasonable. It would still allow Edison flexibility to use short-term borrowings when market conditions for long-term debt are not favorable.

3. There is no known opposition and there is no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.
2. The petition for modification should be granted to the extent set forth in the supplemental order that follows.
3. The following supplemental order should be effective on the date of signature.

S U P P L E M E N T A L O R D E R

IT IS ORDERED that:

1. The authority granted to Southern California Edison Company (Edison) by Decision (D.) 91433 as extended, is modified to extend the period of authorization to June 30, 1999.
2. Edison may issue short-term obligations in an aggregate principal amount not exceeding \$441,288,502 beyond that authorized by Public Utilities Code § 823(c), on terms and for the purposes specified in Application 59461, provided that Edison shall maintain or bring down the aggregate amount of short-term borrowings to 5% of the par value of the other securities then outstanding at least once every twelve (12) months.
3. Edison's petition for modification is granted as set forth above.
4. In all other respects, D.91433 remains in full force and effect.

This supplemental order is effective today.

Dated July 17, 1996, at Sacramento, California.

P. GREGORY CONLON  
President  
DANIEL Wm. FESSLER  
JESSIE J. KNIGHT, JR.  
HENRY M. DUQUE  
JOSIAH L. NEEPER  
Commissioners