

ENERGY/RHG

Decision 99-06-018 June 3, 1999

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SOUTHERN)
CALIFORNIA EDISON COMPANY U-338-E, for)
an Order to issue Debt Securities, and/or guarantee)
the Debt Securities of an Edison affiliate, to finance)
its Fuel Oil, Nuclear Fuel, and Coal Inventories in)
an aggregate principal amount not to exceed)
\$900,000,000.)
_____)

Application 88-03-024
(Petition for Modification
filed April 2, 1997)

SUPPLEMENTAL OPINION

Summary of Decision

This decision grants Southern California Edison Company (SCE) the authority requested in its petition for modification of Decision (D.) 88-07-069, as modified by D.89-08-021, D.91-09-076, D.94-07-026, and D.95-11-065 (Petition).

Pursuant to Rule 47 of the Commission's Rules of Practice and Procedure, SCE seeks to have an extension of the expiration date of D.94-03-037, as modified, from June 30, 1997 to June 30, 2000.

Notice of the filing appeared on the Commission's Daily Calendar of April 7, 1997. No protests have been received. Due partly to re-organization/movement of personnel and by unintentional omission, no decision has been rendered until now and the Petition remained outstanding.

Modification Sought

By D.88-07-069 dated July 22, 1988, in Application 88-03-024 (Application), the Commission authorized SCE to issue and deliver, at any time or times after the effective date of the order and prior to June 30, 1991, not exceeding \$900,000,000 aggregate principal amount of other floating rate debt, commercial paper, debentures, overseas indebtedness,

foreign securities, notes and obtain loans (Debt Securities) by negotiated public offerings, negotiated private placements or by means of competitive bidding. SCE states in the Application that the proceeds from the issue of Debt Securities will be used to consolidate its fuels financing and reimburse its treasury for funds used to finance fuel oil, nuclear fuel, and coal inventories (Fuels) as previously authorized but not funded by earlier Commission decisions.

SCE is also authorized to guarantee the Debt Securities of others in connection with the financing of Fuels. The purpose of this authorization is to allow SCE to closely match its actual fuels financing cost with the carrying cost authorized by this Commission.

By D.89-08-021 dated August 3, 1989 (as corrected by D.89-09-056 under an Order Correcting Clerical Errors), the Commission granted in part and denied in part SCE's petition for modification of D.88-07-069 with reference to swap transactions.

By D.91-09-076 dated September 25, 1991, the Commission extended the authorization granted in D.88-07-069, as modified by D.89-08-021, to June 30, 1994. This decision also modified the definition of Fuels to include natural gas inventories in the same manner as Fuels discussed in D.88-07-069.

D.94-07-026 dated July 8, 1994 further extended the authorization period of D.88-07-069, as modified to June 30, 1997.

D.95-11-065 dated November 21, 1995, granted SCE, among others, authority to file on a quarterly basis the reports required by General Order 24.

SCE's Petition requests an extension of the authorization granted in D.88-07-069 as modified and last extended by D.94-07-026, until June 30, 2000. Because of the Commission's re-organization and movement of personnel during 1997 and 1998, the incomplete record on who last worked on the Petition, and the unavailability of information pertaining to any follow-ups received from SCE, the Petition remained outstanding and no Commission decision has been rendered. We cannot ascertain what transpired after the Petition appeared on the Commission's Daily Calendar of April 7, 1997 and the time the unintentional omission surfaced. A recent inquiry from SCE indicates that the utility has not fully utilized the authority granted under D.88-07-069 as modified, and the requested extension of time remains

valid. SCE likewise cannot determine why the matter was not pursued accordingly. We will therefore now render an order and close the Petition.

Pursuant to the supplemental data to the Petition dated April 26, 1999, SCE states that the requested extension of time is important to SCE because it will maintain its financing flexibility to issue debt as market opportunities arise. Of the \$900,000,000 authority granted in D.88-07-069, as modified, \$660,400,000 remains unissued. SEC intends to use the proceeds of the remaining indebtedness for the purposes of and in connection with the financing of its fuel oil, nuclear fuel, coal, and natural gas inventories as set forth in D.88-07-069, as modified.

SCE's request for additional time to issue its unused authority raises no questions that should dissuade us from giving favorable consideration to the extension of time requested in the Petition. SCE paid on July 26, 1988 the fee for the financing authority granted in D.88-07-069 as required by Public Utilities (PU) Code 1904(b).

This is an uncontested matter in which the decision grants the requested extension of time to issue Debt Securities. Accordingly, pursuant to PU Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived. Since a unintentional omission occurred in this proceeding, the Commission cannot necessarily act prior to April 30, 1997, the expiration date. Therefore, our action today will be effective as of April 30, 1997, nunc pro tunc.

We approve SCE's Petition in this order.

Findings of Fact

1. SCE's Petition is proper and would not be adverse to the public interest.
2. SCE has need for external funds for the purposes of and in connection with the financing of its fuel oil, nuclear fuel, coal, and natural gas inventories as set forth in D.88-07-069.
3. The fee associated with D.88-07-069 was paid by SCE on July 26, 1988.
4. Notice of the filing of the Petition appeared on the Commission's Daily Calendar of April 7, 1997. There is no known opposition to the Petition, and the authority requested should be granted.

Conclusions of Law

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

SUPPLEMENTAL ORDER

IT IS ORDERED that:

1. The authority granted to Southern California Edison Company (SCE) by Decision (D.) 88-07-069 in Application (A.) 88-03-024, as modified by D.89-08-021, D.91-09-076, D.94-07-026, and D.95-11-065, is amended to extend the period of authorization until June 30, 2000.
2. SCE's petition for modification of D88-07-069, as modified is granted as set forth above.
3. In all other respects, D.88-07-069, as modified remains in full force and effect.
4. A.88-03-024 is closed.

This supplemental order is effective today.

Dated June 3, 1999, at San Francisco, California.

RICHARD A. BILAS
President
HENRY M. DUQUE
JOSIAH L. NEEPER
LORETTA M. LYNCH
TAL C. FINNEY
Commissioners