
PROSPECTUS

1,200,000 Shares

Southern California Edison Company

Cumulative Preferred Stock, 4.24% Series
(\$25 par value)

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE
SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION
PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS.
ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL
OFFENSE.

	Price to Public(1)	Underwriting Discounts and Commissions(2)	Proceeds to Company(3)
Per Unit.....	\$25.55	\$.48	\$25.07
Total.....	\$30,660,000	\$576,000	\$30,084,000

(1) Plus accrued dividends from date of delivery.

(2) In the Underwriting Agreement, referred to herein, the Company indemnifies the Underwriters against certain civil liabilities, including certain liabilities under the Securities Act of 1933.

(3) Before deducting expenses of the Company estimated at \$101,000.

The dividend for the period from the date of issue to February 29, 1956 on the stock offered hereby has been declared and set apart and is payable on May 31, 1956 to holders of record May 5, 1956.

The New Preferred Stock is offered by the several Underwriters when, as and if issued by the Company and accepted by the Underwriters, and subject to their right to reject orders in whole or in part. It is expected that the certificates for the New Preferred Stock, in temporary form, will be ready for delivery on or about February 21, 1956.

The First Boston Corporation

Dean Witter & Co.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES HEREBY OFFERED AND THE OTHER CUMULATIVE PREFERRED STOCK OF THE COMPANY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE AMERICAN, LOS ANGELES AND SAN FRANCISCO STOCK EXCHANGES. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The date of this Prospectus is February 15, 1956.

CONSTRUCTION PROGRAM

The net proceeds from the sale of 1,200,000 shares of Cumulative Preferred Stock, 4.24% Series (the "New Preferred Stock"), will be used by the Company in part to retire short term bank loans (issued in connection with the acquisition of funds for its continuing construction program) which it is estimated will not exceed \$18,000,000 at the time such proceeds are received; the balance of such proceeds will become treasury funds, and the Company proposes to use an amount at least equal to such balance in its continuing construction program.

Gross plant additions for the years 1951 through 1955, inclusive, were approximately \$387,855,000 and retirements during such period aggregated approximately \$66,952,000. It is expected that gross plant additions for the years 1956-1957 will total approximately \$251,016,000, consisting of \$88,034,000 for steam electric generating plants; \$39,912,000 for hydroelectric generating plants; \$32,972,000 for electric transmission lines and substations; \$79,372,000 for electric distribution lines and substations; and \$10,726,000 for other additions.

Of such total estimated requirements of \$251,016,000 for the years 1956-1957, the Company expects to obtain approximately \$145,000,000 of new money from outside sources in addition to the proceeds from the New Preferred Stock offered hereby, and the balance from internal sources, principally from provisions for depreciation, amortization, tax deferrals and unappropriated earnings. The nature, amounts and timing of such additional financing will depend upon conditions existing from time to time and may include short-term bank loans.

The contemplated construction program includes expenditures for certain projects that will not be completed until 1958. Consequently, substantial continuing expenditures are also anticipated in 1958.

CAPITALIZATION

The capitalization of the Company as at December 31, 1955 was, and upon completion of this financing will be, as follows:

	As at December 31, 1955		
	Authorized	Outstanding	To be Outstanding
Long-Term Debt			
First and Refunding Mortgage Bonds.....	(a)		
Series of 3s, Due 1965.....	\$108,000,000	\$108,000,000	\$108,000,000
Series of 3¼s, Due 1964.....	30,000,000	30,000,000	30,000,000
Series A, Due 1973 (3⅛%).....	40,000,000	40,000,000	40,000,000
Series B, Due 1973 (3%).....	25,000,000	25,000,000	25,000,000
Series C, Due 1976 (2⅞%).....	35,000,000	35,000,000	35,000,000
Series D, Due 1976 (3⅞%).....	30,000,000	30,000,000	30,000,000
Series E, Due 1978 (3⅝%).....	30,000,000	30,000,000	30,000,000
Series F, Due 1979 (3%).....	30,000,000	30,000,000	30,000,000
3¼% Convertible Debentures, Due July 15, 1970 (b).....	37,069,600	37,069,600	37,069,600
Shares			
Capital Stock (par value \$25 per share)			
Original Preferred Stock (5%, prior, cumulative, participating).....	160,000	160,000	160,000
Cumulative Preferred Stock.....	6,000,000		
4.08% Series.....		1,000,000	1,000,000
4.32% Series.....		1,653,429	1,653,429
4.88% Series.....		798,242	798,242
New Preferred.....		None	1,200,000
Preference Stock (cumulative).....	3,000,000		
4.48% Convertible Series (c).....		561,196	561,196
4.56% Convertible Series (c).....		81,657	81,657
Common Stock (c).....	12,000,000	7,475,880	7,475,880

- (a) The Trust Indenture under which these bonds are issued permits the issuance from time to time of additional bonds thereunder pursuant to the restrictions and conditions contained therein.
- (b) The 3¼% Convertible Debentures, Due July 15, 1970, first become convertible as to one-third of the aggregate principal amount thereof during the year commencing January 15, 1957, an additional one-third during the year commencing January 15, 1958, and the balance on and after January 15, 1959, provided that all such conversion rights expire July 17, 1967. The Company may, at its option, permit conversions in larger principal amounts during the first two conversion periods referred to above. In addition, any Debentures which are called for redemption prior to January 15, 1959 become convertible prior to such redemption. The Board of Directors has reserved 865,102 shares of authorized but unissued Common Stock for issuance upon conversion of said Debentures. The Debentures will be convertible at an initial conversion price of \$42.85 to and including January 15, 1962 and at increasing prices thereafter.
- (c) Assuming no conversions into Common Stock subsequent to December 31, 1955. At that date there were 554,258 shares of authorized but unissued Common Stock reserved for issue upon conversion of Preference Stock and against outstanding scrip for Common Stock. The shares of Preference Stock, 4.48% Convertible Series and 4.56% Convertible Series, are presently convertible into Common Stock at the respective rates of 0.85312 and 0.921 of one share of Common Stock for each share converted.

SUMMARY OF CONSOLIDATED EARNINGS

The following summary should be read in connection with the financial statements and the related notes included in this Prospectus. The summary has been examined by Messrs. Arthur Andersen & Co., independent public accountants, as stated in their certificate appearing under "Financial Statements".

	Year Ended December 31				
	1951	1952	1953	1954	1955
Operating Revenues:					
Electric sales.....	\$117,084,815	\$125,866,332	\$139,515,139	\$152,694,624	\$175,745,438
Other operating revenues.....	852,769	700,575	957,951	991,775	834,943
Total operating revenues.....	\$117,937,584	\$126,566,907	\$140,473,090	\$153,686,399	\$176,580,381
Operating Expenses and Taxes:					
Fuel for electric generation.....	\$ 13,720,848	\$ 9,460,779	\$ 18,739,642	\$ 20,641,524	\$ 25,646,220
Purchased power.....	3,096,631	3,094,166	5,691,056	4,009,190	5,717,222
Other operation expense.....	22,160,850	25,014,298	28,913,182	28,375,773	30,618,813
Maintenance and repairs.....	8,350,526	9,716,653	8,809,349	9,904,444	11,099,383
Provision for subsidence costs	2,000,000	—	—	—	—
Provision for depreciation					
and amortization.....	13,221,262	13,858,236	15,169,263	16,935,494	18,556,814
Federal income taxes.....	15,491,000	19,651,800	17,961,000	20,513,000	23,146,968
Income taxes deferred due to					
accelerated amortization.....	—	—	—	1,608,831	2,587,741
Other taxes.....	15,487,523	14,759,953	16,947,648	18,453,927	21,222,534
Total operating expenses					
and taxes.....	\$ 93,528,640	\$ 95,555,885	\$112,231,140	\$120,442,183	\$138,595,695
Net Operating Income.....	\$ 24,408,944	\$ 31,011,022	\$ 28,241,950	\$ 33,244,216	\$ 37,984,686
Other Income:					
Oil revenues and royalties					
(net).....	\$ 1,985,316	\$ 1,199,238	\$ 1,802,416	\$ 2,252,389	\$ 1,656,777
Interest and miscellaneous.....	219,814	200,442	174,339	173,442	357,674
Total other income.....	\$ 2,205,130	\$ 1,399,680	\$ 1,976,755	\$ 2,425,831	\$ 2,014,451
Gross Income.....	\$ 26,614,074	\$ 32,410,702	\$ 30,218,705	\$ 35,670,047	\$ 39,999,137
Deductions:					
Interest on long-term debt.....	\$ 7,358,611	\$ 8,158,750	\$ 8,518,229	\$ 9,558,750	\$ 10,798,829
Other interest and amortiza-					
tion.....	628,798	1,009,998	764,295	626,264	678,236
Interest charged to construc-					
tion (credit*).....	988,517*	1,087,079*	1,441,663*	1,685,546*	1,106,847*
Total deductions.....	\$ 6,998,892	\$ 8,081,669	\$ 7,840,861	\$ 8,499,468	\$ 10,370,218
Net Income.....	\$ 19,615,182	\$ 24,329,033	\$ 22,377,844	\$ 27,170,579	\$ 29,628,919

The annual interest requirements on the Company's outstanding long-term debt aggregate \$11,351,012. The annual dividend requirements on the Company's outstanding preferred stocks at December 31, 1955 were \$384,000 on the Original Preferred Stock (assuming a 60¢ quarterly Common Stock dividend), \$3,779,559 on the Cumulative Preferred Stock, and \$721,629 on the Preference Stock. The annual dividend requirement on the New Preferred Stock will be \$1,272,000.

(The "Notes to Summary of Consolidated Earnings" on the opposite page and the "Notes to Financial Statements" elsewhere in the Prospectus are an integral part of this Summary)

Notes to Summary of Consolidated Earnings

The earnings shown in the foregoing summary are not necessarily indicative of future earnings. The Company's operating expenses have been and may continue to be increased by rising taxes, wages and materials and fuel prices which, with lesser factors, have had an adverse effect upon the Company's earnings.

The increase in operating expenses directly attributable to the strike of certain employees between March 10 and May 11, 1953, amounted to approximately \$1,900,000 before giving effect to income taxes.

The year 1955 was the first full year in which the results of the rate increase effective September 13, 1954 were reflected in the earnings of the Company.

For further details with respect to certain of the factors mentioned above, see "Employee Relations" and "Boulder Canyon Project—Hoover Dam".

The water year ending in 1952 was a year of unusually high precipitation on the Big Creek-San Joaquin and Colorado River watersheds, but the water years ending in 1953, 1954 and 1955 were below average on both watersheds. On the Big Creek-San Joaquin watershed extremely heavy precipitation was received during the latter part of December, 1955, and the total precipitation thus far in the 1956 water year, which began last September 1, already exceeds the average for an entire water year.

The series of three years of low Colorado River inflow to Lake Mead, starting in 1953, has resulted in abnormal storage drawdown and low water levels. This has prevented the Company from receiving its full allotment of firm energy at Hoover Dam and has reduced generating unit capacity during the calendar year 1955. This condition is expected to continue in 1956.

The Company estimates the cost of fuel requirements for 1956 will be about the same as 1955 because of the current outlook for above average California hydroelectric resources and increased purchases of capacity and energy from others. These fuel estimates also take account of such factors as increased system load, higher fuel prices and about 67% firm energy production at Hoover. The cost of purchased power from others in 1956, excluding Hoover Dam power, is estimated to be \$1,000,000 more than in 1955 because of increased capacity and energy required to meet system demands.

HISTORY AND BUSINESS

General

The Company, incorporated under the laws of California on July 6, 1909, is a public utility engaged in the business of generating, purchasing, transmitting, distributing and selling electric energy in portions of central and southern California. It has qualified to do business in Arizona and Nevada, but not as a public utility. Its principal executive offices are at 601 West Fifth Street, Los Angeles, California. It has only one important subsidiary, Edison Securities Company, a non-utility California corporation, which is wholly owned and primarily engaged in the business of dealing in lands and mineral interests therein acquired in connection with the operations of the Company.

The areas served directly by the Company include 83 incorporated cities or portions thereof, and more than 300 unincorporated communities and outlying rural territories. It also supplies electric energy for resale to four of such cities and, from time to time, to three privately owned utilities. The Company does not serve the City of Los Angeles. The population of the territory served by the Company was estimated on the basis of the 1950 Federal Census at approximately 2,725,000, and as of April, 1955, was estimated to be approximately 3,800,000.

With the increase in population, the Los Angeles basin area has developed an air pollution problem. The California Air Pollution Control Act, enacted in 1947, and the rules and regulations of the Air Pollution Control District of Los Angeles County issued thereunder, are designed to regulate the emission of air contaminants and the construction and operation of equipment which may do so. Under such rules and regulations, the Company has been denied permits to operate existing units at El Segundo and Redondo Steam Stations for alleged unlawful emission of air contaminants and permits to construct new units at El Segundo, Redondo and Alamitos Steam Stations for the asserted reason that the design of the units when burning fuel oil will cause periodic unlawful emissions of air contaminants. The Company presently intends to ask the Hearing Board of the District for permission to construct and/or operate all of the foregoing units under variances which require annual renewal, and the Company has been advised by the District that it will not oppose the granting of such variances. As soon as such variances are granted, the Company expects that the District will move for the dismissal of certain Municipal Court actions alleging violations of the Act now pending against the Company, and the Company expects to dismiss its appeal from another such action in which it was convicted of violations of the Act. The Company is continuing to operate the existing El Segundo and Redondo units and proceeding with the construction of the other units. A certificate of public convenience and necessity has been issued by the California Public Utilities Commission for each of such units. (See Note (a) to table relating to instantaneous demand on page 9 of this Prospectus.) The Company and the District have agreed to engage in a jointly sponsored research and development program to study ways and means of reducing air pollution, in which other electric utilities will be invited to participate. In dealing with the air pollution problem, it is possible that the Company may in the future modify or supplement its equipment or its operating methods in ways which cannot at present be foreseen.

The territory served by the Company includes large areas devoted to diversified agriculture, much of which is made possible by irrigation. Industrial activity is well diversified. Although many of the Company's industrial customers are major users of electric energy, the revenue for the calendar year 1955 derived from the largest single industrial customer accounted for approximately 1.4% of the Company's total electric revenue, and the ten largest industrial customers together accounted for approximately 7.3% of such revenue.

The Company is subject to the jurisdiction of the Public Utilities Commission of the State of California, and is also subject to certain provisions of the Federal Power Act, both as a licensee of the Federal Power Commission and as a company engaged in the transmission of electric energy in interstate commerce.

Rates

Rates for residential customers and for smaller general service customers vary by geographical rate areas. These rates are higher in the rural areas and lower in urban communities. Other rates for larger general service customers, agricultural, and general power customers are designed to reflect customer demands, load factors, diversity, and other customer characteristics.

Employee Relations

The Company has approximately 8,200 active full time employees, of whom approximately 4,500 are covered by the agreements mentioned below with Local 47, International Brotherhood of Electrical Workers (A.F.L.—C.I.O.) and with Local 246, Utility Workers Union of America (A.F.L.—C.I.O.).

The Company and the Unions have amended their contracts effective January 1, 1956 to provide, among other things, for a general increase in the basic straight time rates of pay for employees covered by these contracts, amounting to 4%, with an additional 5¢ per hour for rates of \$2.50 per hour and above. The same general increase has been granted to employees outside the bargaining units, effective January 1, 1956.

It is estimated that the total amount of such general increases and modifications in pay granted to all employees will add approximately \$2,340,000 to the 1956 payroll, of which approximately \$1,500,000 will be charged to operations and the remainder to construction and other accounts.

The contracts with both Local 47 and Local 246 continue to December 31, 1956 and thereafter during negotiations for changes and until a new agreement is reached, or until either party exercises its right to terminate upon notice.

Reference is made to Note 3 in "Notes to Financial Statements" for information concerning the cost of the Company's pension and retirement annuity plans for employees.

Municipal Ownership and Other Competition

Under the laws of California, utility districts may be formed and may include incorporated as well as unincorporated territory. Such districts as well as municipalities have the right to construct, purchase or condemn and operate electric facilities. A municipality owning its own electric system may dispose of energy outside its boundaries under certain conditions. One effect of municipal competition is felt by the Company when a city owning an electric system annexes adjacent territory which the Company has theretofore served.

Within the general territory served by the Company, Los Angeles, Pasadena, Glendale, Burbank, Azusa, Anaheim, Colton and Riverside own and operate electric systems. Azusa, Anaheim, Colton and Riverside buy from the Company all the electric energy which they distribute. The other cities mentioned own generating plants and also have contracts with the United States for Hoover Dam energy.

The City of Vernon owns an electric system, including a diesel generating plant, which is leased to the Company until 1957, with the city having options to terminate the lease under certain conditions and to extend the term of the lease under certain conditions for ten-year periods.

In selling its electric energy the Company is in competition with companies selling gas and liquid petroleum gas, both in domestic and commercial fields.

Electric Operations and Statistics

Energy Generated and Purchased—(KWH)

	1951	1952	1953	1954	1955	% of 1955 Total
Generated—Net Station Output						
Hydroelectric plants.....	3,138,353,871	4,085,991,568	2,960,924,026	3,102,134,120	2,815,718,629	22.8
Steam Plants.....	4,540,748,000	2,952,421,000	5,699,642,400	6,903,676,000	8,641,734,000	69.9
Diesel Plant.....	938,300	666,100	546,100	597,400	143,700*	—
Total Generated.....	7,680,040,171	7,039,078,668	8,661,112,526	10,006,407,520	11,457,308,929	92.7
Purchased Power—Hoover Dam.....	1,128,300,567	2,179,035,621	1,038,351,610	671,821,704	360,935,222	2.9
“ “ —Other.....	205,472,719	227,472,298	581,371,722	249,171,020	545,596,630	4.4
Power Interchange (Net).....	1,924,950*	13,769,240	9,332,910*	4,694,420	498,600*	—
Total Generated, Purchased and Interchanged.....	9,011,888,507	9,459,355,827	10,271,502,948	10,932,094,664	12,363,342,181	100.0
Company Use and Furnished Free.....	21,368,543	16,267,013	20,126,275	20,300,975	22,626,256	—
Lost and Unaccounted for.....	1,183,124,516	1,435,946,123	1,334,380,119	1,398,458,399	1,502,510,790	—
Total Energy Sold.....	7,807,395,448	8,007,142,691	8,916,996,554	9,513,335,290	10,838,205,135	—

Energy Sales—(KWH)

Domestic.....	1,302,648,347	1,527,614,009	1,716,718,559	1,935,368,777	2,184,435,634	20.1
Agricultural.....	976,491,287	741,870,751	895,290,508	860,798,122	894,508,252	8.3
Commercial.....	998,822,229	1,126,067,373	1,242,772,791	1,385,725,352	1,566,309,328	14.4
Industrial.....	3,311,399,048	3,623,711,838	4,059,593,047	4,275,899,835	5,049,389,627	46.6
Railways and Public Authorities.....	759,347,493	718,347,360	767,868,398	813,614,226	866,236,002	8.0
Other Electric Utilities.....	458,687,044	269,531,360	234,753,251	241,928,978	277,326,292	2.6
Total Energy Sold.....	7,807,395,448	8,007,142,691	8,916,996,554	9,513,335,290	10,838,205,135	100.0

Operating Revenue

Domestic.....	\$ 40,373,462	\$ 46,090,138	\$ 51,289,937	\$ 57,336,307	\$ 64,517,496	36.6
Agricultural.....	10,878,306	9,213,205	10,670,179	10,636,384	12,438,916	7.0
Commercial.....	24,141,180	26,979,337	29,635,633	32,582,571	36,449,600	20.7
Industrial.....	29,381,493	32,022,327	35,749,005	38,940,340	47,118,248	26.7
Railways and Public Authorities.....	8,981,998	9,336,878	10,087,883	11,165,806	12,978,592	7.3
Other Electric Utilities.....	3,328,376	2,224,447	2,082,502	2,033,216	2,242,586	1.3
Total Revenue from Electric Sales.....	\$ 117,084,815	\$ 125,866,332	\$ 139,515,139	\$ 152,694,624	\$ 175,745,438	99.6
Other Miscellaneous Revenue.....	732,392	644,091	778,541	674,620	676,840	.4
Total Electric Revenue.....	\$ 117,817,207	\$ 126,510,423	\$ 140,293,680	\$ 153,369,244	\$ 176,422,278	100.0

Number of Customers (at end of period)

Domestic.....	851,756	906,303	970,156	1,036,403	1,111,570	85.0
Agricultural.....	20,048	21,045	21,367	22,450	22,983	1.7
Commercial.....	118,634	121,779	127,084	128,986	133,108	10.2
Industrial.....	23,442	25,636	26,612	27,266	29,659	2.3
Railways and Public Authorities.....	8,600	8,913	9,262	9,757	10,320	.8
Other Electric Utilities.....	8	8	8	8	8	—
Total Customers.....	1,022,488	1,083,684	1,154,489	1,224,870	1,307,648	100.0

*Deduction.

Note: Each metered service (except connected idle meters) is, in this Prospectus, deemed to be a single customer.

PROPERTY

General

The Company owns and operates 24 hydroelectric plants (and holds certain water rights in connection therewith), owns and operates seven steam electric generating plants, and operates one diesel electric generating plant under lease, with total effective operating capacities under optimum conditions of 1,969,420 kilowatts, together with transmission, distribution and communication systems, all located in central and southern California with the exception of the Nevada portions of the transmission and communication lines from Hoover Dam. In addition, the Company has available for its use approximately 380,000 kilowatts of total effective operating capacity under favorable conditions at Hoover Dam Power Plant. The energy is transmitted from Hoover Dam to California over two transmission lines owned by the Company and over a transmission line owned, from Hoover Dam to Hayfield, California, by The Metropolitan Water District of Southern California and, from Hayfield on, by the Company.

The approximate maximum instantaneous system demand, the approximate effective operating capacity at the time of such demand and the load factor (based on such demand) of the Company's electric system were as follows for the periods indicated:

	<u>1951</u>	<u>1952</u>	<u>1953</u>	<u>1954</u>	<u>1955</u>
Maximum Instantaneous System Demand in KW.....	1,599,500(b)	1,731,600	1,886,400(b)	1,998,200(b)	2,284,900
Effective Operating Capacity in KW, at Time of Maximum Demand.....	1,775,000(c)	1,902,300(c)	2,143,400(c)	2,245,200(c)(d)	2,444,900(c)(d)
Load Factor (based on such demand).....	63.8%	62.2%	62.2%	62.5%	61.8%

NOTE: Some energy (in relatively small amounts) generated on Hoover Dam units available for use by the Company is not reflected in the above table.

(a) The Company has under construction for completion through 1957, steam electric generating capacity aggregating 660,000 kw, i.e., 165,000 kw at El Segundo, 165,000 kw at Redondo and 330,000 kw at Alamos Steam Stations, and 10,000 kw of hydroelectric generating capacity at Huntington Lake-Portal Power Plant.

(b) Includes voluntary service at the time of maximum demand, principally to other utilities, of approximately 8,000 kw in 1951; 27,400 kw in 1953; and 1,000 kw in 1954.

(c) Includes voluntary service from other utilities at the time of maximum demand of approximately 114,000 kw in 1951; 110,000 kw in 1952; 100,000 kw in 1953; 50,000 kw in 1954; and 85,000 kw in 1955.

(d) Also includes 125,000 kw of firm capacity under contract with another utility.

Generating Plants and Transmission, Distribution and Communication Systems

The major and certain minor hydroelectric plants together with certain storage and regulating reservoirs are located wholly or in part on lands of the United States under licenses and permits issued, respectively, under the Federal Water Power Act of 1920, as amended, and the Act of February 15, 1901 (31 Stat. 790), as amended. These licenses and permits expire at various times between 1962 and 2005, and contain numerous and detailed restrictions and obligations on the part of the Company, and except in a few instances include the right of the United States to acquire the project under certain conditions and upon the payment of compensation. Other hydroelectric plants are located in part upon lands of the Company and in part on lands of others in which the Company possesses the necessary easements.

The seven steam electric generating plants (exclusive of certain appurtenances) and most of the Company's substations are located on lands owned by the Company. Some substations are located on lands leased by the Company, some are located on lands held by the Company under easement, and some on lands of the United States held under permits and licenses. The diesel electric generating plant is leased from the City of Vernon.

The transmission, distribution and communication systems are located in part on lands owned by the Company, in part on lands owned by others in which, with minor exceptions, the Company possesses necessary easements, in part on lands of the United States pursuant, with minor exceptions, to licenses, permits and easements issued or applied for under various Acts of Congress and in part, with minor exceptions, on public streets and highways pursuant to franchises.

Boulder Canyon Project — Hoover Dam

The Company, pursuant to contracts dated May 29, 1941, is one of the Government's operating agents at Hoover Dam and also an allottee and purchaser of energy produced at Hoover Dam Power Plant. Also under the terms of The Metropolitan Water District's 1945 Resale Contract and the 1945 Collateral Contract, each dated May 31, 1945, the Company is entitled to receive certain additional energy produced at Hoover Dam.

The greater part of the energy received by the Company from Hoover Dam in the past has been energy allotted to but unused by The Metropolitan Water District and energy allotted to but unused by the States of Arizona and Nevada. The District's requirements for such energy are expected to increase in the future which will result in a decrease in the amount of such energy available to the Company from this source. Also the States of Arizona and Nevada have as of May 31, 1955 withdrawn all of the energy allotted to them and it is estimated that only a negligible amount of such energy, if any, may be expected to be available to the Company from this source in the future.

It is possible that increasing amounts of water from the Colorado River and its tributaries will be diverted above Hoover Dam and consequently that there will be a decrease in the amount of electric energy produced there.

Certain Conditions Affecting Steam Plants

The Company's Long Beach Steam Station, composed of three plants in the Long Beach Harbor District, occupies an area of approximately 43 acres, and the net book investment therein is approximately \$22,500,000. The Station is located in an established and partially developed oil and gas field known as the Wilmington Oil Field. Since the initial development of the field in 1938, a general areal subsidence of the ground surface within the area of the field has occurred and is continuing to occur at the present time. The vertical subsidence at the Station is not uniform and averages at the present time approximately twenty-one feet. The accompanying horizontal contraction of the ground near the surface with consequent compression on buried structures now amounts in some places to approximately five inches per 100 feet; because of the extent of the compression which has occurred and which is expected to occur in the future, the Company has ceased using its underground cooling water intake and outlet conduits and has completed construction of substitute conduits for cooling water along the surface.

The subsidence action, and its probable extent and effects on the future operation of the Long Beach Steam Station and other plants and industries on and near Terminal Island, has been the subject of several investigations and reports and is under continual surveillance by the Company.

The Company concluded in 1950 that, on the basis of then available data, the ultimate subsidence to the Long Beach Steam Station would not exceed 23 feet by 1963. On the basis of additional data, the Company now believes that the subsidence at the Station by 1960 will be about 24 feet, and may reach 32 feet by 1970; and that thereafter an additional but as yet undeterminable subsidence will be experienced. The Company anticipates that by 1960 subsidence trends should be sufficiently established to permit a reasonably firm estimate of ultimate subsidence.

The Company cannot firmly predict the extent or time of ultimate subsidence or horizontal contraction; however, on the basis of all presently available data and its experience to date, the Company believes that neither the subsidence nor horizontal contraction will be so extensive that its plants will not be maintained in a satisfactory operating condition for the remainder of their normal operating lives. As subsidence continues, additions from time to time, including maintenance and raising of the existing dike system, will be necessary but the Company believes that the major expenditures required to meet subsidence problems have been made. The Company in 1956 proposes to expend approximately \$500,000 for modifications to and raising of its existing diking system to protect the Station against a subsidence of 32 feet. See Note 4 in "Notes to Financial Statements". The Company has recovered substantial amounts of oil from its ownership of said property.

Certain individuals, by the attempted use of some land scrip known as "Valentine Scrip," have filed applications with the Department of the Interior for patents on certain areas which include portions of the Company's Long Beach Steam Station site. To date the Department of the Interior has rejected these filings. The Company is advised by its General Counsel that, even if such filings were validly made on such lands, such filings or operations thereunder would not disrupt or seriously interfere with the rendering of service by the Company as a public utility.

Miscellaneous

The Company owns a thirteen story steel and concrete office building in Los Angeles of which approximately 85% is occupied by the Company and 15% is leased to others. The Company also owns or leases other smaller buildings in various locations throughout the territory served which are used as commercial offices, warehouses, garages and for other operations.

The Company carries blanket comprehensive insurance covering different properties, in various amounts, against named hazards and with some differing deductibles assumed by the Company. As of December 31, 1955, the above includes \$307,000,000 fire and lightning insurance, and, since the Pacific Coast area is subject to earthquakes, \$8,600,000 earthquake insurance, the Company to bear the first \$400,000 of earthquake loss. In addition, the Company has other insurance covering particular instances and properties. None of the policies insures against loss of revenue, or against damage resulting from subsidence at the Long Beach Steam Station site.

* * * * *

Substantially all of the properties of the Company are subject to the lien of a trust indenture securing First and Refunding Mortgage Bonds presently outstanding in an aggregate principal amount of \$328,000,000.

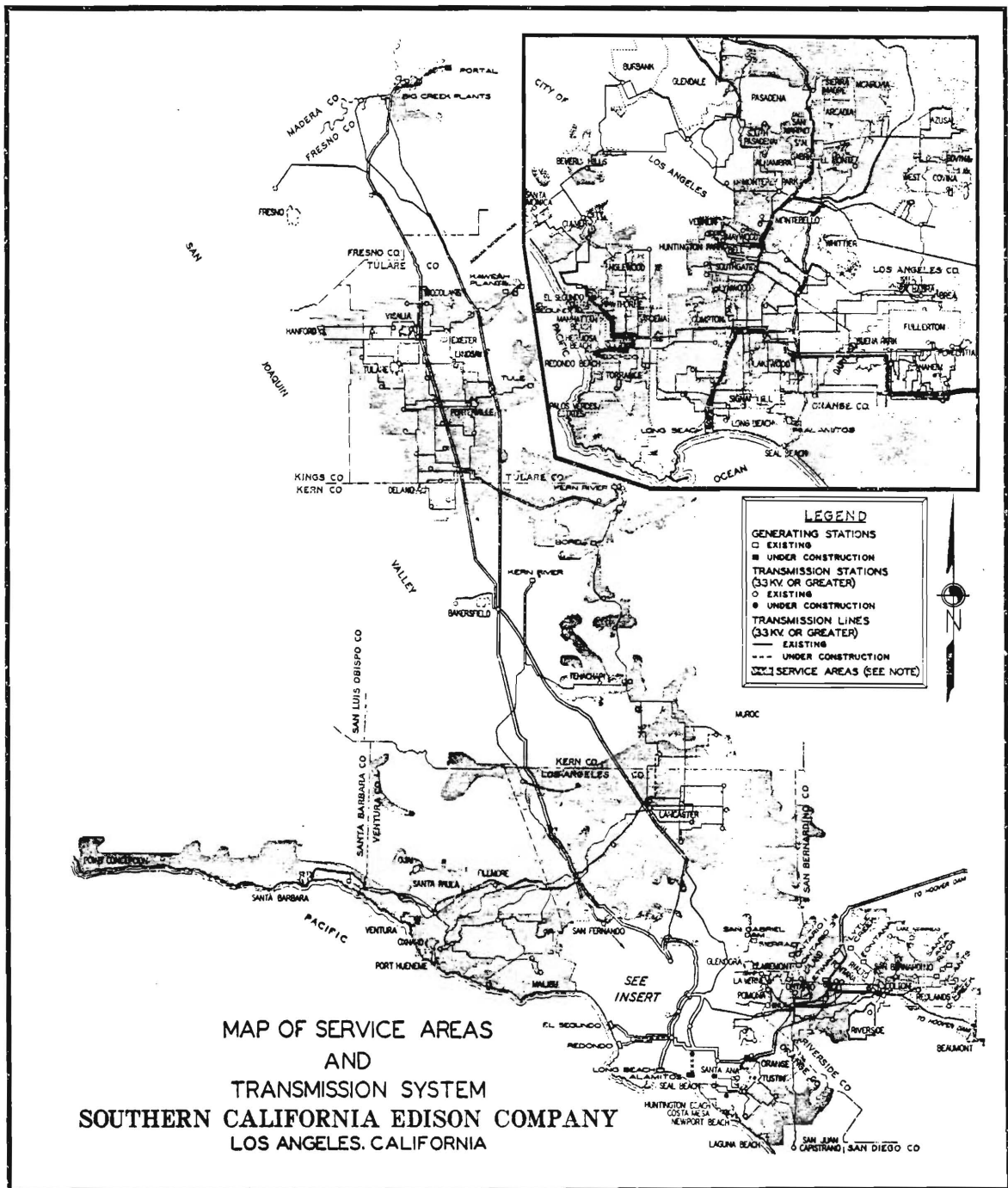
In the opinion of Bruce Renwick, Esq., Vice President and General Counsel of the Company (1) except as to immaterial items of property, the Company has good and valid title in and to all of the real property referred to in this Prospectus as being owned by it at the date hereof, free and clear of liens, charges, defects and encumbrances other than those referred to elsewhere in this Prospectus and except for conditions, restrictions, reservations, covenants, rights of way and easements of record and permits, licenses, leases, contracts and certain other matters affecting the title or interest of the Company in certain or all of its properties, none of which, in the opinion of such Counsel, seriously affects the Company's right to use such properties in the conduct of its business; and (2) the Company is possessed of adequate rights to the use of all lands not owned by the Company on which the Company's system, including its transmission, distribution and communication lines, is located, with minor exceptions and subject to minor defects in the record title of comparatively few of the easements or rights of way used by the Company.

California Water Rights

The Company and its predecessors have from time to time appropriated under California law with certain minor exceptions the waters used for the operation of its hydroelectric plants. The Company also has acquired title to riparian lands upon which part or all of certain of its plants are located, and thereby acquired riparian rights. Permits and licenses issued to the Company under the Water Commission Act of California, now embodied in the State Water Code, provide, among other things, that the duration of the Company's rights thereunder are dependent upon continued beneficial use of the appropriated water, that such rights may be revoked for certain causes, and that, on the terms and conditions therein specified, the state, municipalities or certain other public agencies may acquire the diversion works and related power plants upon payment of compensation.

The Company's appropriations of water were subject to prior vested rights of other persons on the respective streams. In some cases it has been necessary for the Company to acquire from such persons the right to use the waters in its hydroelectric plants, in so far as such use might otherwise invade the rights of these persons. The Company has entered into a number of contracts for this purpose and has also acquired certain water rights by condemnation and by prescription. Certain of these contracts, including contracts applicable to the Big Creek plants, impose restrictions upon the Company's storage and use of water in its projects.

A decision of the Federal Power Commission, overruling the Company's objection to the inclusion in the license for its Kern River No. 1 project of a provision which required that water be released for recreational purposes, was based upon the opinion of the Commission that the Company possessed no vested rights in the waters of Kern River flowing upon reserved lands of the United States by virtue of its appropriation under California laws; that even if it acquired any rights by such appropriation, or by contracts or otherwise, such rights were subordinate to the proprietary rights of the United States in the waters; and that even if the Company had a vested water right, the Commission could exact the release of water as a condition to the grant of a right to occupy public lands for the project. Although the Company has accepted the license, it does not concur in the opinion referred to above. If the Commission's opinion should be established as law, other projects of the Company might be affected.



Note: The general location of the transmission lines and certain other important units of the Company and its "service areas" are shown above; such service areas include only areas within approximately one mile of the distribution system, although the Company is obligated under certain conditions to serve within more extensive areas covered by its certificates of public convenience and necessity.

MANAGEMENT

The names of all directors and executive officers of the Company, and the offices held by each, are as follows:

Name	Position
Harold Quinton.....	President and Director
W. C. Mullendore.....	Chairman of the Board and Director
Harry J. Bauer.....	Vice Chairman of the Board and Director
R. E. Fife.....	Vice President
James F. Davenport.....	Vice President and General Manager and Director
W. L. Chadwick.....	Vice President
R. G. Kenyon.....	Vice President
G. N. Hawley.....	Vice President and Assistant to the President
J. H. Mead.....	Vice President
E. R. Peterson.....	Vice President
Robert P. O'Brien.....	Vice President
Bruce Renwick.....	Vice President and General Counsel
C. E. Pichler.....	Comptroller
P. C. Hale.....	Treasurer
T. J. Gamble.....	Secretary
Harry A. Buffum.....	Director
William B. Coberly, Jr.....	Director
Fred D. Fagg, Jr.....	Director
A. J. McFadden.....	Director
Henry T. Mudd.....	Director
James R. Page.....	Director
Charles H. Quinn.....	Director
Alden G. Roach.....	Director
James E. Shelton.....	Director

All of the executive officers of the Company have been connected with the Company for the past five years except Mr. O'Brien, formerly Supervising Engineer of the California Public Utilities Commission, who entered the employ of the Company in January, 1952.

The aggregate direct remuneration paid by the Company and its subsidiary during the calendar year 1955 to (1) each director, and each of the three highest-paid officers, of the Company whose aggregate direct remuneration exceeded \$30,000, and (2) all directors and officers of the Company as a group, was as follows:

<u>Name of individual or identity of group</u>	<u>Capacities in which remuneration was received</u>	<u>Aggregate direct remuneration</u>
Harold Quinton	President and Director	\$ 85,667
W. C. Mullendore	Chairman of the Board and Director	65,000
H. W. Tice	Senior Vice President	51,563
James F. Davenport	Vice President and General Manager and Director	46,389
All Directors and Officers		575,965

Assuming the above named individuals, other than Mr. Tice who retired January 1, 1956, continue to participate in the voluntary retirement annuity plan at their present salaries until normal retirement dates, it is estimated that such persons will receive aggregate annual retirement annuities of \$17,098, \$20,398 and \$23,698, respectively. Mr. Tice will receive an aggregate annual retirement annuity of \$17,537.

The records of the Company show that at December 31, 1955, The Equitable Life Assurance Society of the United States, 393 Seventh Avenue, New York 1, New York, held 354,925 shares, or 10.28%, of the Company's outstanding Cumulative Preferred Stock. No other person owns of record, or is known by the Company to own beneficially, more than 10 per cent of any class of its voting securities.

There is set forth in the table below a list of holdings of equity securities of the Company by all directors and officers of the Company, as a group, as of December 31, 1955.

<u>Title of Class</u>	<u>Amount Beneficially Owned</u>
3¼% Convertible Debentures, Due July 15, 1970	\$39,000
Original Preferred Stock	100 shares
Cumulative Preferred Stock	478 shares
Common Stock	9,153 shares

DESCRIPTION OF CAPITAL STOCK (Including the New Preferred Stock)

General

The information set forth below is, with minor exceptions, summarized from the Articles of Incorporation of the Company, as amended, and the Certificates of Determination of Preferences of the several series of Cumulative Preferred Stock and Preference Stock. Such information does not purport to be complete or, except where specifically indicated, to summarize applicable statutory provisions. References are herein made to particular portions of the Articles of Incorporation of the Company for further information with respect to the capital stock of the Company, the following information being expressly qualified by such references.

The terms "Original Preferred Stock", "Cumulative Preferred Stock" and "Preference Stock" refer to the entire classes of such stocks, and the terms "4.08% Series", "4.32% Series", "4.88% Series", "4.48% Convertible Series" and "4.56% Convertible Series" refer to the respective existing series of the latter two classes. The Board of Directors is authorized, within the limitations and restrictions set forth in the Articles, to issue the Cumulative Preferred Stock and Preference Stock from time to time in series and, as to any wholly unissued series, to fix the number of shares thereof and the dividend rate, conversion rights, voting rights (in addition to the voting rights provided in the Articles), redemption price and/or the voluntary liquidation preferences thereof. (Article Sixth, Sections 3, 4).

In order of preferential rank, the classes of stock are: Original Preferred Stock, Cumulative Preferred Stock, Preference Stock and Common Stock. All classes of stock have a par value of \$25 per share.

Certificates for the New Preferred Stock will be issued in the first instance in temporary form exchangeable without charge for definitive certificates when the latter become available. The Transfer Agents for the New Preferred Stock are Bankers Trust Company, New York, New York, and the Company, Los Angeles, California. The Registrars for the New Preferred Stock are Manufacturers Trust Company, New York, New York, and Security-First National Bank of Los Angeles, Los Angeles, California.

It is the Company's intention to make application within 90 days from the date of issue of the New Preferred Stock for the listing of the New Preferred Stock on the American, Los Angeles and San Francisco Stock Exchanges, and for the registration thereof under the Securities Exchange Act of 1934.

Dividend Rights

The Indenture securing the Company's bonds provides, in substance, that the Company shall not pay any cash dividends except out of its surplus at December 31, 1921, and out of earnings (as defined) subsequent thereto. None of the Company's earned surplus is now restricted by this provision.

The Original Preferred Stock is entitled to cumulative quarterly dividends, as declared, at the rate of 5% per annum in preference to all other classes of stock, and is entitled to participate in any distribution to the Cumulative Preferred Stock or the Preference Stock to the extent that such distribution shall, as to any series, be greater than 5% per annum. After dividends

have been declared or paid on the Common Stock for any year in an amount per share equal to the higher of (i) the highest annual dividend rate payable with respect to any Cumulative Preferred Stock or Preference Stock then outstanding, or (ii) 5% per annum, the remainder of any funds legally available therefor shall then be applicable to the payment of further dividends for such year, equally per share, upon the Original Preferred Stock and Common Stock. (Article Sixth, Section 2(a)).

Subject to the prior rights of the Original Preferred Stock, each series of Cumulative Preferred Stock, in preference to the classes junior thereto, is entitled to receive, as declared, cumulative quarterly cash dividends at the rate fixed for such series and no more. (Article Sixth, Section 3(a)).

Dividends on the New Preferred Stock will be payable quarterly on the last day of each February, May, August and November at the rate shown in the title of such stock appearing on the cover page of this Prospectus and will be cumulative from the date of issue, except that the dividend for the period from the date of issue to February 29, 1956 has been declared and set apart and is payable on May 31, 1956 to holders of record May 5, 1956.

Subject to the prior rights of the classes senior thereto, each series of Preference Stock, in preference to the Common Stock, is entitled to receive, as declared, cumulative quarterly cash dividends at the rate fixed for such series and no more. (Article Sixth, Section 4(a)).

Subject to the prior rights of the other classes and the participating rights of the Original Preferred Stock, the Common Stock is entitled to such dividends as the Board of Directors may determine. (Article Sixth, Section 5(a)).

Voting Rights

Each share of each class is entitled to one vote. (Article Sixth, Sections 2(c), 3(c), 4(c), 5(c)). Votes may be cumulated in electing directors.

The authorized preferred stock may be increased or diminished by a two-thirds vote of the outstanding capital stock. (Article Seventh).

A two-thirds vote of the outstanding Cumulative Preferred Stock is necessary for: (a) any amendment of the Articles which would change any outstanding shares of Cumulative Preferred Stock so as: (1) to authorize assessments thereon; (2) to reduce the dividend rate thereof; (3) to make noncumulative, in whole or in part, the dividends thereon; (4) to reduce the redemption price thereof; (5) to reduce any amount payable thereon upon liquidation; (6) to eliminate, diminish or alter adversely conversion rights thereof; (7) to diminish or eliminate voting rights thereof; (8) to rearrange the priority of outstanding shares of Cumulative Preferred Stock so as to make them subject to the preferences of other then outstanding shares (except that if such amendment so changes less than all series of Cumulative Preferred Stock, a two-thirds vote of only the series so affected is required); (b) the authorization, creation or increase in authorized amount of any stock, or any security convertible into stock, senior to the Cumulative Preferred Stock, and (c) the consolidation or merger of the Company, with certain exceptions; provided, that if the laws of California are amended to permit the consolidation or merger of the Company upon a lesser vote then only such lesser vote (provided it be at least a majority) shall be necessary. (Article Sixth, Section 3(c)(1)). The California Corporations Code presently also requires,

in effect, a two-thirds vote of any class of stock or series thereof to accomplish certain amendments of the Articles including any which would change outstanding shares thereof in the manner referred to under (a) above.

A majority vote of the outstanding Cumulative Preferred Stock is necessary for: (a) an increase in the authorized amount of the Cumulative Preferred Stock or the authorization or creation, or an increase in the authorized amount, of any stock ranking on a parity therewith or of any security convertible into Cumulative Preferred Stock or into stock ranking on a parity therewith; (b) the sale, lease, conveyance or parting with control of substantially all of the Company's property or business; and (c) the issue or reissue of any Cumulative Preferred Stock or any stock senior thereto or on a parity therewith, unless the consolidated income of the Company and its subsidiaries (as defined) for any 36 consecutive calendar months within the 39 calendar months preceding the month in which such issue is authorized shall have been at least $1\frac{1}{2}$ times the sum of 3 years' interest requirements on the funded indebtedness and other borrowings of the Company and its subsidiaries to be outstanding at the date of such issue and 3 years' dividend requirements on all Cumulative Preferred Stock and stock senior thereto or on a parity therewith to be outstanding at the date of such issue, including the shares to be issued but excluding any such indebtedness or shares to be retired in connection with such issue. (Article Sixth, Section 3(c)(2)).

The authorized number of shares of Common Stock may be increased by resolution of the Board of Directors and the vote or written consent of the holders of a majority of all outstanding shares of the Company.

Liquidation Rights

With respect to both the Cumulative Preferred Stock and the Preference Stock, neither the consolidation or merger of the Company, nor the sale or transfer of all or a part of its assets, nor the expropriation, condemnation or seizure of all or a part of its assets by any governmental authority is to be deemed a liquidation of the Company. (Article Sixth, Sections 3(e), 4(e)).

On any liquidation of the Company, the Original Preferred Stock is entitled to its par value, plus unpaid accrued dividends, before any payment to the classes junior thereto, and after payment to the Cumulative Preferred Stock and Preference Stock of the amounts payable with respect thereto, and payment to the Common Stock of its par value, the remaining assets are to be distributed ratably to the Original Preferred Stock and Common Stock. (Article Sixth, Section 2(b)).

Subject to the prior rights of the classes senior thereto, the Cumulative Preferred Stock and Preference Stock are entitled to be paid, in the order of their preferences, before any payment is made to the classes junior thereto, upon involuntary liquidation the sum of \$25 per share, together with unpaid accrued dividends, and upon voluntary liquidation, the liquidation preference fixed by the Board of Directors for each series, such preference, in the case of the series now outstanding and in the case of the New Preferred Stock, being an amount corresponding to their respective then current redemption prices, including unpaid accrued dividends. If said sums are not paid in full, each series of each such class is to share ratably in any distribution of assets made to shares of that class in proportion to the full amounts to which they would otherwise be respectively entitled. (Article Sixth, Sections 3(b), 4(b)).

Subject to the prior rights of the other classes of stock, upon any liquidation of the Company, the Common Stock is entitled to its par value, and thereafter the remaining assets and funds of the Company are to be distributed ratably to the Original Preferred Stock and Common Stock. (Article Sixth, Section 5(b)).

Redemption Provisions

The Original Preferred Stock is not redeemable. Shares of Cumulative Preferred Stock and Preference Stock of any series are redeemable, at the option of the Company, upon at least 30 days' notice, at the applicable redemption prices then in effect, provided that whenever dividends on the Cumulative Preferred Stock are in default, the Company shall not purchase or redeem any Preference Stock or purchase or redeem less than all of the Cumulative Preferred Stock at the time outstanding or purchase or otherwise acquire for value any Cumulative Preferred Stock except in accordance with an offer made to all holders of such stock. Similarly whenever dividends on Preference Stock are in default, the Company shall not redeem less than all of such stock at the time outstanding or purchase or acquire for value any such stock except in accordance with an offer made to all holders of such stock. Any shares of Cumulative Preferred Stock or Preference Stock which are converted, redeemed or retired shall thereafter have the status of authorized but unissued shares and may thereafter be reissued by the Board of Directors. (Article Sixth, Sections 3(d), 3(e), 4(d), 4(e)).

The redemption prices per share (in each case plus unpaid accrued dividends) of the outstanding series are:

<u>Series Designation</u>	<u>Price</u>	<u>Redemption Period</u>
4.32% Series	\$29.25	On or before May 31, 1957
4.48% Convertible Series }	\$29.00	Thereafter and on or before May 31, 1962
	\$28.75	Thereafter
4.88% Series	\$26.75	Before January 1, 1958
	\$26.50	Thereafter and before January 1, 1963
	\$26.25	Thereafter
4.08% Series	\$26.00	On or before May 31, 1960
	\$25.75	Thereafter and on or before May 31, 1965
	\$25.50	Thereafter
4.56% Convertible Series	Same as 4.88% Series except that last day of each redemption period is one day later.	

The New Preferred Stock will be redeemable at the prices shown herein under the caption "Redemption Prices of New Preferred Stock".

Conversion Rights

Neither the Original Preferred Stock nor any existing series of Cumulative Preferred Stock has, and the New Preferred Stock will not have, any conversion rights. The Preference Stock.

4.48% Convertible Series and 4.56% Convertible Series, is convertible into Common Stock at the rates in effect at the time of conversion. The present conversion rates are set forth herein under "Capitalization" and are subject to adjustment from time to time upon the occurrence of certain events.

Other Provisions

None of the classes of stock of the Company has any preemptive rights. All of the shares now outstanding are full-paid and non-assessable. All shares of New Preferred Stock will be full-paid and non-assessable.

In November, 1947, the Board of Directors then in office adopted a resolution relating to the Cumulative Preferred Stock, 4.88% Series, stating the policy of the Company to be, in effect, that it will use its best efforts to purchase annually (beginning with 1949), subject to applicable provisions of law, at least 16,000 shares of such stock at not in excess of \$26.25 per share plus unpaid accrued dividends to date of purchase. As of December 31, 1955, there had been purchased and retired 1,758 shares. The adoption of the policy above referred to may not have the legal effect of an agreement binding on succeeding Boards of Directors.

EXPERTS

The financial statements and schedules for the three years ended December 31, 1955 included herein, and the summary of earnings for the five years ended December 31, 1955, included herein under "Summary of Consolidated Earnings", have been examined by, and are accompanied by the certificate of, Messrs. Arthur Andersen & Co., independent public accountants. All of said information is set forth herein in reliance upon the authority of said firm.

LEGAL OPINIONS

The legality of the New Preferred Stock will be passed upon for the Company by Messrs. O'Melveny & Myers, 433 South Spring Street, Los Angeles 13, California, special counsel for the Company, and by Bruce Renwick, Esq., 601 West Fifth Street, P. O. Box 351, Los Angeles 53, California, Vice President and General Counsel for the Company, and for the Underwriters by Messrs. Sullivan & Cromwell, 48 Wall Street, New York 5, New York, except that as to the incorporation of the Company and all other matters governed by California law Messrs. Sullivan & Cromwell will rely upon the opinion of Messrs. O'Melveny & Myers.

Bruce Renwick, Esq., Vice President and General Counsel for the Company, has prepared or reviewed the statements made, as to matters of law and legal conclusions, under "History and Business"; "Property", with respect to titles, licenses and permits and the material appearing under "Boulder Canyon Project-Hoover Dam" and "California Water Rights"; and "Description of Capital Stock". Messrs. O'Melveny & Myers have prepared or reviewed the statements made as to matters of law and legal conclusions under "History and Business", "California Water Rights", and "Description of Capital Stock". Such statements have been included herein upon the authority of said individual and firm, respectively.

FINANCIAL STATEMENTS

AUDITORS' CERTIFICATE

We have examined the consolidated balance sheet of SOUTHERN CALIFORNIA EDISON COMPANY (a California corporation, hereinafter referred to as the "Company") and its subsidiary company (Edison Securities Company) as of December 31, 1955 and the related statements of surplus for the three years then ended, and the summary of consolidated earnings for the five years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of surplus present fairly the financial position of the companies as of December 31, 1955, and the summary of consolidated earnings presents fairly the results of their operations for the five years then ended; and all were prepared in conformity with generally accepted accounting principles applied on a consistent basis.

ARTHUR ANDERSEN & CO.

Los Angeles, California

January 20, 1956.

SOUTHERN CALIFORNIA EDISON COMPANY AND SUBSIDIARY COMPANY

Consolidated Balance Sheet—December 31, 1955

ASSETS

Electric Plant (Note 1):

Original cost (including \$43,937 intangibles).....	\$915,094,832
Less—Reserve for depreciation.....	153,960,990
	<u>\$761,133,842</u>
Additional cost of plant acquired (plant acquisition adjustments) \$3,763,454, less amortization reserve of \$3,665,277.....	98,177
	<u>\$761,232,019</u>

Investments and Other Assets (Note 2):

Expenditures on electric plant leased to Company (net).....	\$ 3,312,397
Real estate, oil development, etc., at cost, less reserves for depreciation and depletion of \$2,483,552.....	3,384,498
	<u>\$ 6,696,895</u>

Current Assets:

Cash.....	\$ 10,417,441
Special deposits.....	155,878
United States Government obligations.....	5,050,000
Receivables—	
Light and power customers.....	14,081,034
Miscellaneous accounts and notes.....	2,069,911
Reserve for uncollectible receivables (credit*).....	805,267*
Materials and supplies, at average cost.....	17,207,228
Prepayments on fuel oil.....	330,323
Prepaid taxes, insurance and other expenses.....	10,846,826
Total current assets.....	<u>\$ 59,353,374</u>

Deferred Charges:

Debt discount, redemption premium and expense on refunded issues (\$2,809,824) being amortized over period ending December 31, 1959, less net premium received on outstanding issues (\$1,215,475) being amortized over lives of such issues.....	\$ 1,594,349
Other deferred charges.....	1,589,951
	<u>\$ 3,184,300</u>

Capital Stock Selling Expense on Outstanding Issues (Related amounts written off when stock is retired other than through conversion).....

\$ 2,978,334
\$833,444,922

The accompanying notes are integral parts of this balance sheet.

SOUTHERN CALIFORNIA EDISON COMPANY AND SUBSIDIARY COMPANY

Consolidated Balance Sheet—December 31, 1955

LIABILITIES

Stated Capital and Surplus:

Capital stock, par value \$25 per share (Redemption provisions for Preferred and Preference stocks are shown under "Description of Capital Stock," and conversion rates for Preference stock under "Capitalization")—	
Original Preferred, 5%, prior, cumulative, participating, not redeemable— 160,000 shares authorized, issued, and outstanding.....	\$ 4,000,000
Cumulative Preferred—authorized 6,000,000 shares—	
4.08% Series—1,000,000 shares issued and outstanding.....	25,000,000
4.32% Series—1,653,429 shares issued and outstanding.....	41,335,725
4.88% Series— 798,242 shares issued and outstanding.....	19,956,050
Preference—authorized 3,000,000 shares—	
4.48% Convertible Series—561,196 shares issued and outstanding.....	14,029,900
4.56% Convertible Series— 81,657 shares issued and outstanding.....	2,041,425
Common—authorized 12,000,000 shares, including 1,419,360 shares reserved for conversion of Preference shares, outstanding scrip and 3¾% Convertible Debentures—7,475,880 shares plus scrip for 283.37 shares issued and out- standing.....	183,508,097
Total stated capital.....	\$289,871,197
Paid-in surplus—premium on original issues of capital stock.....	27,565,956
Earned surplus (Note 2).....	58,579,902
Total stated capital and surplus.....	\$376,017,055

Long-Term Debt:

First and Refunding Mortgage Bonds (Shown by issues under "Capitalization")....	\$328,000,000
3¾% Convertible Debentures, Due July 15, 1970 (Conversion rights are shown under "Capitalization").....	37,069,600
	\$365,069,600

Current Liabilities (Purchase commitments in connection with the 1956 construction budget of approximately \$123,000,000 are substantial):

Bank loans.....	\$ 12,000,000
Accounts payable.....	12,380,295
Dividends payable.....	4,665,935
Taxes accrued.....	37,154,977
Interest accrued.....	4,414,090
Customers' advances for construction, deposits, and other deferred credits.....	3,531,496
Total current liabilities.....	\$ 74,146,793

Reserves:

Pensions (Note 3).....	\$ 6,833,110
Deferred income taxes.....	4,342,843
Insurance and casualty.....	409,671
	\$ 11,585,624

Contributions in Aid of Construction.....	\$ 6,625,850
	\$833,444,922

The accompanying notes are integral parts of this balance sheet.

SOUTHERN CALIFORNIA EDISON COMPANY AND SUBSIDIARY COMPANY

STATEMENTS OF CONSOLIDATED SURPLUS AND SUPPLEMENTARY INCOME INFORMATION

	Year Ended December 31		
	1953	1954	1955
EARNED SURPLUS:			
Balance at Beginning of Period.....	\$35,836,699	\$40,180,700	\$51,178,404
Add—			
Net income—per Summary of Consolidated Earnings....	22,377,844	27,170,579	29,628,919
Net refund of prior years' Federal income and excess profits taxes, plus interest, under Sec. 722 of 1939 Internal Revenue Code.....	—	3,204,398	—
Net gain on condemnation sale of property.....	—	—	402,921
Other.....	60,745	109,830	96,638
	<u>\$58,275,288</u>	<u>\$70,665,507</u>	<u>\$81,306,882</u>
Deduct—Cash dividends on stock—			
Original Preferred†.....	\$ 318,995	\$ 319,692	\$ 367,687
Preferred (now redeemed).....	550	367	732
Cumulative Preferred.....	3,777,325	3,778,812	3,778,946
Preference.....	1,564,103	1,243,266	814,136
Common†.....	12,433,615	14,144,966	17,765,479
Total dividends.....	<u>\$18,094,588</u>	<u>\$19,487,103</u>	<u>\$22,726,980</u>
Balance at End of Period.....	<u>\$40,180,700</u>	<u>\$51,178,404</u>	<u>\$58,579,902</u>
PAID-IN SURPLUS:			
Balance at Beginning of Period.....	\$12,855,968	\$18,895,967	\$27,565,958
Premium received or (paid*) on—			
Cumulative Preferred Stock, 4.88% Series.....	1*	9*	2*
Common Stock.....	6,040,000	8,670,000	—
Balance at End of Period.....	<u>\$18,895,967</u>	<u>\$27,565,958</u>	<u>\$27,565,956</u>
SUPPLEMENTARY INCOME INFORMATION (Note 4):			
Taxes, other than income taxes—			
Property.....	\$14,329,891	\$16,105,712	\$18,547,391
State franchise.....	1,842,686	1,465,780	1,591,630
Payroll.....	362,215	462,093	535,781
Other.....	412,856	420,342	547,732
Total per Summary of Consolidated Earnings.....	<u>\$16,947,648</u>	<u>\$18,453,927</u>	<u>\$21,222,534</u>
Income tax deducted from other income (oil operations)....	<u>642,000</u>	<u>628,000</u>	<u>451,000</u>

* Denotes red figure.

† Annual dividend rate \$2.00 per share for the years 1953 and 1954. The quarterly dividend rate increased from 50¢ to 60¢ per share effective with the dividend paid on Common Stock April 30, 1955 and on Original Preferred Stock June 30, 1955.

The accompanying notes are integral parts of these statements.

SOUTHERN CALIFORNIA EDISON COMPANY AND SUBSIDIARY COMPANY

NOTES TO FINANCIAL STATEMENTS

(1) Certain Federal Power Commission licenses for the Company's hydroelectric projects provide for the establishment of amortization reserves out of a portion of surplus earnings accumulated in excess of a specified rate of return upon the licensed project. Whether the Company has accumulated any surplus earnings in excess of the specified rates of return upon such projects has not been determined, but the Company believes that no such earnings have been realized and therefore has made no provision for such reserves.

(2) Edison Securities Company (having 5 shares of \$100 par value stock outstanding pledged under the Company's bond indenture) is a wholly-owned subsidiary, not significant in relation to consolidated assets, gross revenues, or net income. The excess (amounting to \$7,998,052 at December 31, 1955) of the subsidiary's net assets over the Company's related investment, representing undistributed earnings since acquisition, is included in consolidated earned surplus.

(3) A reserve for pensions has been provided on an actuarial basis in respect of a noncontributory pension plan, adopted March 1, 1938 and applying primarily to service prior to July 1, 1934, and in respect of a Supplemental Plan effective as of January 1, 1952 providing under certain conditions for the payment of supplementary pensions to employees retiring under the 1941 Retirement Annuity Plan. The latter plan, to which joint contributions are made (approximately two-thirds by the Company) in amounts based on current compensation, provides for acquisition of insured annuities by the employees. The Company's aggregate pension expense amounted to \$1,858,610 for 1955.

(4) The Company provided for depreciation of electric plant on the basis of original cost and estimated lives, using the sinking-fund method prior to January 1, 1954 and a straight-line remaining life basis since that date. The annual provisions for the years 1951-1955 have ranged from 2.4% to 2.5% of total depreciable plant. The Company charges maintenance with the cost of repairs and minor renewals, plant account with the cost of renewals and replacement of property units, and the depreciation reserve with the cost, less net salvage, of property units retired. The amounts of maintenance and repairs, depreciation, amortization and State, local and miscellaneous taxes charged to other income and balance sheet accounts are not significant. No royalties were paid. Rentals paid are not significant.

The Company expended approximately \$2,200,000, principally in 1948 and 1949, to protect its plants at Long Beach Steam Station against subsidence. In addition, the Company made reserve provisions for subsidence costs from income of \$2,000,000 each in the years 1950 and 1951. The amounts of \$617,000, \$2,687,000, and \$741,000 were expended in the years 1950, 1951, and 1952, respectively, for work required by such subsidence. This work was substantially completed in 1952 and any costs thereof in excess of the \$4,000,000 provided in 1950 and 1951 have been charged direct to maintenance expense. Such charges to maintenance expense in 1953, 1954 and 1955 aggregated approximately \$327,000.

UNDERWRITING

The Underwriters named below have severally agreed to purchase from the Company the following respective numbers of shares of the New Preferred Stock:

Name	Number of Shares to be Purchased	Name	Number of Shares to be Purchased
The First Boston Corporation.....	86,625	Goodbody & Co.....	4,600
Dean Witter & Co.....	86,625	Granbery, Marache & Co.....	2,300
A. C. Allyn and Company, Incorporated.....	10,400	Hannaford & Talbot.....	1,100
American Securities Corporation.....	5,700	Wm. P. Harper & Son & Co.....	2,300
Bacon, Whipple & Co.....	4,600	Harriman Ripley & Co., Incorporated.....	20,300
Robert W. Baird & Co., Incorporated.....	5,700	Hayden, Stone & Co.....	8,000
Ball, Burge & Kraus.....	4,600	Hemphill, Noyes & Co.....	10,400
J. Barth & Co.....	6,700	Hill Richards & Co.....	11,500
Bateman, Eichler & Co.....	11,500	J. J. B. Hilliard & Son.....	2,300
Bear, Stearns & Co.....	8,000	J. A. Hogle & Co.....	2,300
A. G. Becker & Co. Incorporated.....	10,400	Hooker & Fay.....	2,300
Bingham, Walter & Hurry, Inc.....	5,700	E. S. Hope & Co., Inc.....	2,300
Blair & Co. Incorporated.....	10,400	Hornblower & Weeks.....	10,400
William Blair & Company.....	4,600	E. F. Hutton & Company.....	11,500
Blunt Ellis & Simmons.....	4,600	The Illinois Company, Incorporated.....	4,600
Blyth & Co., Inc.....	44,500	Jones, Cosgrove & Miller.....	1,100
Boettcher and Company.....	4,600	Kaiser & Co.....	1,100
Bosworth, Sullivan & Company, Inc.....	4,600	Kerr & Bell.....	1,100
Alex. Brown & Sons.....	5,700	Kidder, Peabody & Co.....	20,300
Brush, Slocumb & Co. Inc.....	11,500	Kirkpatrick-Pettis Company	2,300
Quincy Cass Associates.....	1,100	Frank Knowlton & Co.....	1,100
Central Republic Company (Incorporated)	10,400	Kuhn, Loeb & Co.....	42,000
Clark, Dodge & Co.....	10,400	Laird, Bissell & Meeds.....	4,600
Coffin & Burr, Incorporated.....	8,000	W. C. Langley & Co.....	13,800
Julien Collins & Company.....	4,600	Lawson, Levy & Williams.....	2,300
Courts & Co.....	2,300	Lee Higginson Corporation.....	8,000
Crowell, Weedon & Co.....	11,500	Lehman Brothers	20,300
Henry Dahlberg & Company.....	2,300	Lester, Ryons & Co.....	11,500
Davidson & Co.....	1,100	Carl M. Loeb, Rhoades & Co.....	10,400
Davis, Skaggs & Co.....	6,700	Irving Lundborg & Co.....	6,700
Dempsey-Tegeler & Co.....	3,450	Laurence M. Marks & Co.....	8,000
Drexel & Co.....	10,400	Mason Brothers	1,100
Francis I. duPont & Co.....	2,300	McAndrew & Co. Incorporated.....	3,450
Eastman, Dillon & Co.....	20,300	Merrill Lynch, Pierce, Fenner & Beane.....	20,300
Elworthy & Co.....	9,200	Revel Miller & Co.....	3,450
Equitable Securities Corporation.....	8,000	The Milwaukee Company.....	5,700
Estabrook & Co.....	4,600	Mitchum, Jones & Templeton.....	9,200
Fewel & Co.....	2,300	Moore, Leonard & Lynch.....	2,300
First California Company, Incorporated....	11,500	Morgan & Co.....	2,300
The First Cleveland Corporation.....	2,300	Morgan Stanley & Co.....	42,000
First of Michigan Corporation.....	2,300	F. S. Moseley & Co.....	8,000
First Southwest Company.....	2,300	Newhard, Cook & Co.....	2,300
Maxfield H. Friedman.....	1,100	The Ohio Company.....	4,600
Fulton, Reid & Co.....	4,600	Pacific Northwest Company.....	5,700
Glore, Forgan & Co.....	20,300	Paine, Webber, Jackson & Curtis.....	10,400
Goldman, Sachs & Co.....	20,300	Pasadena Corporation	2,300

Name	Number of Shares to be Purchased	Name	Number of Shares to be Purchased
Pflueger & Baerwald.....	1,100	Stone & Webster Securities Corporation....	20,300
R. W. Pressprich & Co.....	10,400	Stone & Youngberg.....	2,300
Putnam & Co.....	4,600	J. S. Strauss & Co.....	2,300
Refsnes, Ely, Beck & Co.....	1,100	Stroud & Company, Incorporated.....	5,700
Reinholdt & Gardner.....	2,300	Sutro & Co.....	6,700
Reynolds & Co., Inc.....	8,000	Henry F. Swift & Co.....	1,100
Riter & Co.....	2,300	Spencer Trask & Co.....	10,400
The Robinson-Humphrey Company, Inc....	2,300	Tucker & Company	1,100
Rotan, Mosle and Co.....	2,300	Tucker, Anthony & Co.....	5,700
Salomon Bros. & Hutzler.....	13,800	Union Securities Corporation.....	20,300
Schoellkopf, Hutton & Pomeroy, Inc.....	8,000	Van Alstyne, Noel & Co	2,300
Schwabacher & Co.....	9,200	Wagenseller & Durst, Inc.....	6,700
Chas. W. Scranton & Co.....	4,600	G. H. Walker & Co.....	8,000
Frank C. Shaughnessy & Co.....	1,100	Walston & Co., Inc.....	5,700
Shearson, Hammill & Co.....	2,300	Watling, Lerchen & Co.....	4,600
Shields & Company.....	10,400	Weeden & Co., Incorporated.....	11,500
Shuman, Agnew & Co.....	9,200	C. N. White & Co.....	1,100
Singer, Deane & Scribner.....	2,300	White, Weld & Co.....	20,300
Smith, Barney & Co.....	20,300	J. R. Williston & Co	1,100
F. S. Smithers & Co.....	5,700	Wood, Struthers & Co.....	5,700
William R. Staats & Co.....	22,000	Wulff, Hansen & Co.....	2,300
Starkweather & Co.....	2,300	York & Company.....	1,100
Stern Brothers & Co.....	5,700	Total.....	1,200,000
Stern, Frank, Meyer & Fox.....	6,700		
Stewart, Eubanks, Meyerson & Co.....	1,100		

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent. The nature of the underwriting commitment is such that if any of the shares of New Preferred Stock are purchased by the Underwriters, all of such shares will be purchased (except, under certain conditions, in the case of a default by Underwriters who have agreed to purchase more than one-ninth of the shares of New Preferred Stock).

The Company has been advised by The First Boston Corporation and Dean Witter & Co., as Representatives of the Underwriters, that the Underwriters propose to offer the New Preferred Stock to the public initially at the offering price set forth on the cover page of this Prospectus and to certain dealers at such price less a concession of not in excess of 25¢ per share; that the Underwriters and such dealers may allow a discount of 10¢ per share on sales to other dealers; and that after the initial public offering, the public offering price and concessions and discounts to dealers may be changed by the Representatives.

REDEMPTION PRICES OF NEW PREFERRED STOCK

The redemption price from time to time of the New Preferred Stock will be \$26.60 per share if redeemed on or before May 31, 1961; \$26.30 per share if redeemed thereafter and on or before May 31, 1966; \$26.05 per share if redeemed thereafter and on or before May 31, 1971; and \$25.80 per share if redeemed thereafter; together, in each case, with an amount equal to all accumulated and unpaid dividends to and including the date of redemption.

SOUTHERN CALIFORNIA EDISON COMPANY

By Harold Quinton, President

This Prospectus contains information concerning the Company and its New Preferred Stock, but does not contain all of the information set forth in the Registration Statement, and the exhibits and schedules relating thereto, which the Company has filed with the Securities and Exchange Commission, Washington, D. C., under the Securities Act of 1933, as amended, and to which reference is hereby made.

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No dealer, salesman or other person has been authorized to give any information or to make any representations other than as contained herein, and, if given or made, such information or representations must not be relied upon as having been authorized by the Company. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the New Preferred Stock in any State to any person to whom it is unlawful to make such offer or solicitation in such State.

Southern California Edison Company



1,200,000 Shares
Cumulative Preferred Stock
4.24% Series
(\$25 par value)

P R O S P E C T U S

February 15, 1956