

"No public utility shall issue any security, . . . unless and until, and then only to the extent that, . . . the Commission by order authorizes such issue . . . The Commission shall make such order only if it finds that such issue . . . (a) is for some lawful object, within the corporate purposes of the applicant and compatible with the public interest, which is necessary or appropriate for or consistent with the proper performance by the applicant of service as a public utility and which will not impair its ability to perform that service, and (b) is reasonably necessary or appropriate for such purposes . . ."

To determine these matters, the Act then at 204 (b) says that the Commission may hold a hearing, and "may grant any application . . . in whole or in part, and with such modifications and upon such terms . . . as it may find it necessary or appropriate" -- depending, that is, upon the extent to which it finds that the purpose of the issue has or has not been shown to meet the established standards. Any doubt as to the decisiveness and finality of the Commission's authority in this area is removed by Section 204 (c). It states that "no public utility shall . . . apply any security or any proceeds thereof to any purpose not specified in the Commission's order . . . or otherwise in contravention of such order." In any event, if the Commission after investigation and hearing finds any matter inconclusive, premature or unsettled, it may retain continuing jurisdiction for the purpose of modifying its original order in the light of subsequent developments (Section 204 (b)).

The only reasonable construction of Section 204 (a), as I read it, is that the language of clause (a) requires this Commission to obtain affirmative proof that the purpose for which the securities will be issued is not only lawful and within the corporate powers of the applicant, but that such purpose is also "compatible with the public interest" and appropriate to the proper performance of public utility service. It further appears that clause (b) requires the applicant to show, and the Commission to find, that the particular means proposed is either "reasonably necessary or appropriate." Faced with this latter choice, the majority "found" the proposed facilities to be neither "reasonably necessary" nor simply "appropriate", but "reasonably appropriate."

If this Commission properly is to exercise the responsibilities entrusted to it by the Congress under Section 204, it must examine into the purposes for which electric utility companies wish to issue securities. There is no other conclusion we can come to. And in determining the scope and extent of the efforts it must exert in discharging that responsibility, it is of little help to say that the Commission's investigation under Section 204 must be narrowly confined because the Commission does not have the power to issue or deny certificates of convenience and necessity for electric company construction. As that power was denied to this Commission in 1935 (See Senate Report No. 621, on S. 2796 in the 74th Congress, at p. 20), we obviously cannot disapprove