

ORIGINAL

Decision No. 55195

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
THE CALIFORNIA OREGON POWER COMPANY

for an order authorizing the issuance  
and sale to applicant's employees of  
not to exceed 30,000 shares of common  
stock in accordance with an Employees'  
Stock Purchase Plan.

Application No. 39102

OPINION AND ORDER

On May 29, 1957, The California Oregon Power Company filed the above-entitled application for an order authorizing it to issue and sell not to exceed 30,000 shares of its \$20 par value common stock.

Applicant proposes to issue and sell such shares to its regular full-time employees in accordance with the terms and conditions of an Employees' Stock Purchase Plan. Under the provisions of the plan, employees may purchase stock at a discount from the current market price and shall pay for such stock by means of payroll deductions over a period not exceeding 36 months. Subscriptions are limited to not less than 10 nor more than 150 shares to each employee during any twelve-month period.

The stock will be offered to the employees at a price of 95% of the average daily bid prices of applicant's common stock publicly quoted on the five business days

immediately preceding each subscription period. Should applicant's common stock be listed on a national securities exchange, as defined in the Securities and Exchange Act of 1934, the price to employees will be 95% of the price at which the last sale of such stock (in lots of 100) on such exchange was made on the last trading day preceding the commencement of each period in which subscription applications are accepted, but in no event less than the par value of the stock.<sup>1/</sup>

The maximum number of shares to be offered in any twelve-month period commencing with the first offering date is limited to that number which, when multiplied by the offering price per share, will have an aggregate offering price of not more than \$300,000. It appears that the price would be approximately the amount applicant would receive if the shares were to be offered to the public through underwriters.

Applicant plans to use the proceeds from the sale of its stock to reimburse its treasury for expenditures for net additions to properties. Exhibit C, filed in this proceeding, shows that as of June, 1957, applicant's expenditures for additions and betterments not reimbursed through the issue of securities amount to \$15,353,653.

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<sup>1/</sup> The application shows that at the current bid price the offering price would be \$31.59 a share. The company's financial statements show that regular annual dividends of \$1.60 have been paid on the outstanding shares of common stock.

The Commission has given consideration to this matter and is of the opinion that a public hearing is not necessary, that the money, property or labor to be procured or paid for by the sale of the common stock herein authorized is reasonably required by applicant for the purposes specified herein and that such purposes are not, in whole or in part, reasonably chargeable to operating expenses or to income, and that the application should be granted; therefore,

IT IS HEREBY ORDERED as follows:

1. The California Oregon Power Company may issue and sell to its employees not exceeding 30,000 shares of its \$20 par value of common stock under the terms and conditions of the Employees' Stock Purchase Plan which has been filed in this proceeding as Exhibit B.
2. The California Oregon Power Company shall use the proceeds from the sale of such stock for the purposes set forth in the application.
3. The authorization herein granted is for the issue of securities only and is not to be construed as indicative of amounts to be included in a future rate base for the purpose of determining just and reasonable rates.
4. The California Oregon Power Company shall file with the Commission a report, or reports, as required by General Order No. 24-A, which order, insofar as applicable, is made a part of this order.

5. The authority herein granted will become effective on the date hereof.

Dated at San Francisco, California, this 2nd day of July, 1957.

[Signature]  
President  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
Commissioners