

ORIGINAL

Decision 83 09 014 SEP 7 1983

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)

CP NATIONAL CORPORATION, a)
California corporation)

for authorization to split its)
common shares on a two for one)
basis.)

) Application 83-08-20
) (Filed August 3, 1983)
)
)
)

O P I N I O N

CP National Corporation (CP National) requests authority, under Public Utilities (PU) Code Sections 816 through 818, for the following:

1. To split each of the 3,292,905 (at June 30, 1983) outstanding common shares of CP National Common Stock, \$5 par value, into two common shares, \$2.50 par value, and to issue and deliver certificates for the additional shares to present common shareholders on the effective date of the common stock split, and
2. To make proportionate adjustment to the conversion features of the following securities and to split each of the 315,019 (at June 30, 1983) authorized but unissued common shares, \$5.00 par value, into two common shares, \$2.50 par value which remains unissued in the following authorities on the effective date of the common stock split:

<u>Decision (D.)</u>	<u>Date of Decision</u>	<u>Application (A.)</u>	<u>Security and Authority Requested</u>
7981	February 22, 1971	52415	8% Cumulative Convertible Preferred shares- 4019 authorized but unissued.
91746	May 6, 1980	54978	311,000 authorized but unissued Cumulative Convertible Preference shares, Series A

3. To split each of the 420,381 (at June 30, 1983) remaining authorized but unissued common shares, \$5 par value, into two of common shares, \$2.50 par value, with regard to the stock which remains unissued in the following authorities on the effective date of the common stock split;

<u>Decision (D.)</u>	<u>Date of Decision</u>	<u>Application (A.)</u>	<u>Plan and Authority Requested</u>
82-03-010	March 2, 1982	60318	Stock Option Plan, 74,200 unissued shares
91747	May 6, 1980	59577	Dividend Reinvest- ment and Stock Purchase Plan, 33,376 unissued shares
82-10-009	October 6, 1982	82-08-44	Tax Credit Employees Stock Ownership Plan, 17,717 unissued shares
82-06-019	June 2, 1982	82-04-37	Incentive Thrift Savings Plan, 295,088 unissued shares

Summary of Decision

This decision grants CP National the authority requested in the application.

Notice of the filing of the application appeared on the Commission's Daily Calendar of August 10, 1983. No protests have been received.

CP National, a California corporation, directly and through its subsidiaries, is engaged in public utility operations in Oregon, California, Nevada, Texas, New Mexico and Arizona. The company provides electric, gas, telephone, and water services in the State of California.

Under the restated articles previously filed with the Commission in connection with A.83-05-11, CP National may issue up to 5,000,000 shares of Common Stock, \$5 par value. The company intends to split these shares on a two for one basis and to increase to 15,000,000 the authorized number of common shares, \$2.50 par value.

As of June 30, 1983, CP National reported that it had a total of 3,292,905 shares of Common Stock, \$5 par value issued and outstanding.

CP National asserts that, with the consequent reduction in market price, the split should create the following benefits:

1. Would broaden public interest in the common shares;

2. Would ultimately increase the number of stockholders; and
3. Would provide a greater availability of shares for purchase and resale.

CP National also requests Commission approval to increase the number of common shares authorized but unissued on the date of the proposed stock split and to make the appropriate proportionate adjustments, under the following decisions:

1. 8% Cumulative Convertible Preferred shares-

D.79181 dated February 22, 1971 in A.52415 authorized the issuance of the necessary number of common shares, \$5.00 par value upon the conversion of the shares of 8% Cumulative Convertible preferred shares. Approximately 50,933 of these common shares, \$5.00 par value were issued as of June 30, 1983. Approximately 3,179 shares of 8% Cumulative Convertible Preferred Stock convertible into 4019 common shares remain outstanding.

2. Cumulative Convertible Preference shares, Series A -

D.91746 dated May 6, 1980 in A.59478 authorized the issuance of up to 311,000 common shares, \$5.00 par value upon the conversion of the Cumulative Convertible Preference Stock. None of these common shares were issued as of June 30, 1983.

3. Stock Option Plan-

D.82-03-010 dated March 2, 1982 in A.60318 authorized the issuance and sale of 100,000 common shares, \$5.00 par value. Approximately 25,800 of these common shares have been issued as of June 30, 1983 and 74,200 remain unissued.

4. Dividend Reinvestment and Stock Purchase Plan-

D.91747 dated May 6, 1980 in A.59577 authorized the issuance and sale of 100,000 common shares, \$5.00 par value. Approximately 66,624 of these common shares have been issued as of June 30, 1983 and 33,376 remain unissued.

5. Tax Credit Employee Stock Ownership Plan-

D.82-10-009 dated October 6, 1982 in A.82-08-44 authorized the issuance and sale of 50,000 common shares, \$5.00 par value. Approximately 32,283 of these common shares have been issued as of June 30, 1983 and 17,717 remain unissued.

6. Incentive Thrift Saving Plan-

D.82-06-019 dated June 2, 1982 in A.82-04-37 authorized the issuance and sale of 300,000 common shares, \$5.00 par value. Approximately 4,912 common shares, \$5.00 par value have been issued as of June 30, 1983 and 295,088 remain unissued.

Insofar as the authorization in each of the above decisions will not have been utilized by the effective date of the stock split, CP National seeks authorization to increase the unissued shares in accordance with the proposed common stock split referred to above, so that each authorized unissued common share, \$5 par value for each of the above would also be split into two common shares, with a par value of \$2.50 for each share.

The Commission's Revenue Requirements Division has reviewed CP National's proposed application to split its Common Stock \$5 par value in a two for one ratio. The Division has no objection to the proposed stock split.

Findings of Fact

1. CP National, a California corporation, operates as a public utility under the jurisdiction of this Commission.
2. The proposed issue of two common shares, \$2.50 par value, in exchange for each common share, \$5 par value, is for proper purposes.
3. The transaction will not be adverse to the public interest.
4. In regard to the two for one common stock split, the proposed increase in the number of common shares authorized by Commission decisions in connection with CP National's shares of 8% Cumulative Convertible Preferred Stock, Cumulative Convertible Preference Stock, Series A, Stock Option Plan, Dividend Reinvestment and Stock Purchase Plan, Tax Credit Employee Stock Ownership Plan and Incentive Thrift Savings Plan (insofar as the authorization in each decision has not be utilized by the effective date of the proposed stock split) and other proportionate adjustments is reasonable and for proper purposes.
5. There is no known opposition to the application and no reason to delay granting the authority requested.

Conclusions of Law

1. A public hearing is not necessary.
2. The application should be granted to the extent set forth in the order which follows.

The number of common shares outstanding, the total par value of the shares, and the dividends paid do not determine allowable return on plant investment. This authorization to split the common shares into a two for one ratio is not a finding of the value of CP National's stock or property, nor does it indicate the amounts to be included in ratesetting proceedings.

The following order should be effective on the date of signature to permit CP National to proceed with its stock split and the issuance of its common stock expeditiously.

O R D E R

IT IS ORDERED that:

1. CP National Corporation (CP National), on or after the effective date of this order, may split each of its 3,292,905 shares of outstanding Common Stock, \$5 par value as of June 30, 1983 into two shares of Common Stock having a par value of \$2.50 per share and may issue and deliver certificates representing the additional shares to the Common shareholders on the effective date of the stock split.

2. CP National may make proportionate adjustments and may increase the number of its 735,400 shares of Common Stock authorized but unissued under D.79181, D.91746, D.82-03-010, D.91747, D.82-10-009 and D.82-06-019, with respect to CP National's 8% Cumulative Convertible Preferred Stock, Cumulative Convertible Preference Stock, Series A, Stock Option Plan, Dividend Reinvest-

ment and Stock Purchase Plan, Tax Credit Employee Stock Ownership Plan and Incentive Thrift Savings Plan, respectively, in accordance with the proposed two for one common stock split, insofar as those authorizations will not have been utilized by the effective date of the proposed common stock split.

This order is effective today.

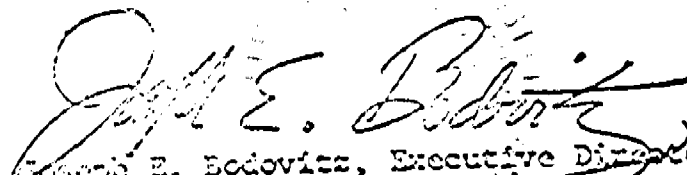
Dated SEP 7 1983 at San Francisco, California.

Commissioner William T. Bagloy
being necessarily absent, did
not participate.

LEONARD M. GRIMES, JR.
President

VICTOR CALVO
PRISCILLA C. GREW
DONALD VIAL
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.


Joseph E. Bodovitz, Executive Director