

# SECURITIES AND EXCHANGE COMMISSION

# NEWS DIGEST



A brief summary of financial proposals filed with and actions by the S.E.C.

Washington 25, D.C.

FOR RELEASE November 27, 1956

Trans-Canada Pipe Lines Limited, Calgary, Alberta, Canada, filed a registration statement (File 2-12927) with the SEC on November 26, 1956, seeking registration of \$80,000,000 of Subordinated Debentures due 1986 and 4,000,000 Common Shares (\$1 par). The company proposes to offer these securities in units consisting of \$100 of debentures and five common shares. The interest rate on the debentures, and the public offering price and underwriting terms of the units, are to be supplied by amendment. The United States underwriters include Lehman Brothers, Stone & Webster Securities Corporation, and White, Weld & Co. An unspecified amount of the units are to be offered for sale in Canada and simultaneously the balance is to be offered for sale in the United States by the United States Underwriters.

The company proposes to own or lease and to operate a natural gas pipe line system extending from the Province of Alberta across the Provinces of Saskatchewan, Manitoba and Ontario and through a portion of the Province of Quebec to Montreal. The system, when completed, will follow an all Canadian route over a distance of approximately 2,287 miles. It will have an initial delivery capacity of approximately 300,000 Mcf of natural gas per day and has been designed so that its delivery capacity can be increased in the future to approximately 780,000 Mcf by the installation of additional compression facilities. The cost (subsequent to June 7, 1956) of the system presently proposed to be operated, and which will comprise a Western Section, a Central Section, and an Eastern Section, is estimated at approximately \$230,600,000.

The program for financing the initial system includes the public sale of the \$80,000,000 of debentures and 4,000,000 common shares (in units) and the sale to certain institutional investors of not in excess of \$144,000,000 of First Mortgage Pipe Line Bonds, Series due October 1, 1978. It is proposed to secure approximately \$234,000,000 from the sale of the foregoing securities; and to the extent that the principal amount of bonds to be sold to institutional investors exceeds \$144,000,000, the number of units sold will be reduced so that the proceeds from the sale of the units will be reduced by the same amount. The present program contemplates the sale of \$144,000,000 of bonds.

Of the total net proceeds of the sale of the units, (i) a portion will be deposited with the trustee for the holders of the debentures for the payment of interest during the period ending November 30, 1958, (ii) a portion will be used to redeem the 5% First Mortgage Bonds issued by the company to the Northern Ontario Pipe Line Crown Corporation in connection with its construction of a portion of the western section of the initial system, (iii) a portion will be advanced to Western Pipe Lines, a subsidiary, and used by that company to redeem its outstanding debentures in the amount of \$5,350,000 (Western owns a 76-mile pipe line in the Eastern Section), and (iv) the remainder will be added to the company's general funds and used, together with the proceeds from the sale of the bonds, for the construction of the initial pipe line system, for working capital, and for other corporate requirements.

Principal holders of the outstanding common shares are Canadian Delhi Oil Ltd., Calgary, 490,040 shares (25.77%); Hudson's Bay Oil and Gas Company Limited, Calgary, 327,790 shares (17%); British American Oil Company Limited, Toronto, 327,790 shares (17%); and Tennessee Gas Transmission Company, Houston, Texas, 327,790 shares (17%). N. E. Tanner is president.

Investment Company Act Release No. 2444

The SEC has issued an order granting an exemption from the Investment Company Act with respect to the purchase by Petro-Atlas Corporation, a wholly-owned subsidiary of Atlas Corporation, New York investment company, of certain oil and gas leasehold interests located in San Juan County, Utah, for an aggregate consideration of \$200,000. The acquisition involves a 320-acre interest in a 640 acre leasehold interest, to be acquired by Petro-Atlas from its President, Tom Bolack. Petro-Atlas previously had acquired the other 320-acre interest.

Holding Company Act Release No. 13321

Yankee Atomic Electric Company (Boston) has joined with six of its stockholder companies in the filing of an application with the SEC for an order permitting the sale by Yankee of an additional 5,000 shares of common stock for \$500,000, together with \$1,000,000 of non-interest-bearing promissory notes. The Commission has issued an order giving interested persons until December 13, 1956, to request a hearing.

The common shares and notes are to be acquired by the six stockholder companies and six other such companies which participated in the organization and financing of Yankee, and in the ratio of their respective investments in Yankee. The largest purchasers are New England Power Company and The Connecticut Light and Power Company; New England Power owns 30% of the outstanding \$500,000 of common stock and of the \$500,000 of outstanding notes; and Connecticut Light owns \$75,000, or 15% of each.

According to the application, design work is already in progress with respect to Yankee's 134,000 Kw nuclear power plant, the total cost of which is estimated at \$35,000,000. It is stated that the Atomic Energy Commission will provide financial assistance in Yankee's preliminary research and development program up to a total of \$5,000,000, and will waive use charges on the nuclear fuel during the first five years of the plant's operation. It is further stated that plant construction will begin in 1957 with completion contemplated in 1960.

Proceeds of the sale of the additional 5,000 common shares will be used to retire Yankee's outstanding short-term notes. Sale of the additional notes is to be made from time to time prior to June 30, 1957, the proceeds thereof to be applied to Yankee's construction and development program.