

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

August 22, 1957

UTAH POWER & LIGHT FILES FINANCING PROPOSAL

Utah Power & Light Company, Salt Lake City, today filed a registration statement (File 2-13560) with the SEC proposing the public offering, at competitive bidding, of \$15,000,000 of First Mortgage Bonds, Series due 1987, and 400,000 shares of Common Stock, \$12.80 par.

Net proceeds of the sale of these securities will initially become part of the company's general funds and as such may be applied to any of its corporate purposes, which include capital expenditures for construction. As presently planned, the construction program of Utah Power and its subsidiary, The Western Colorado Power Company, for the years 1957-59, inclusive, will require approximately \$46,000,000, divided approximately \$21,800,000 in 1957, \$12,200,000 in 1958, and \$12,000,000 in 1959.

Utah Power has borrowed \$21,000,000 from seventeen lending banks to carry forward its construction program. A part of the proceeds of the sale of the bonds and common stock will be available for and will be used to pay such notes. The remainder of the proceeds, together with other available cash, will be used to carry forward the construction program.

TEXAS EASTERN TRANSMISSION FILES BOND FINANCING PROPOSAL

Texas Eastern Transmission Corporation, Shreveport, La., today filed a registration statement (File 2-13561) with the SEC seeking registration of \$30,000,000 of First Mortgage Pipe Line Bonds, Series due 1977, to be offered for public sale through an underwriting group headed by Dillon, Read & Co., Inc. The interest rate, public offering price and underwriting terms are to be supplied by amendment.

Net proceeds of the sale of the bonds will be used in connection with the company's gas expansion programs and reconversion program. According to the prospectus, Texas Eastern and its subsidiary, Texas Eastern Penn-Jersey Transmission Corporation, are currently constructing facilities under a gas expansion program to increase the system capacity by 250 million cubic feet of gas per day. Those facilities which are not yet completed, consisting principally of a 30-inch pipeline from Beaumont, Texas, to the Rio Grande River near McAllen, Texas, which is currently being tested, will be in full operation for the winter heating season. The cost of this program, including the cost of certain completed facilities now in operation, is currently estimated to be approximately \$147,000,000, of which Penn-Jersey's portion is approximately \$8,000,000. The company is also currently reconverting to service as a common carrier of petroleum products the portion of the Little Big Inch line between Beaumont and a point on the Ohio River near Moundsville, W. Va., and is

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constructing pumping, lateral and terminal facilities. Included in the program is the construction of a 14-inch lateral from Seymour, Ind., through Indianapolis to the Chicago area. The operation of such petroleum facilities will be subject to regulation by the Interstate Commerce Commission. The total cost of the reconversion program is currently estimated at \$96,000,000.

PHILADELPHIA ELECTRIC PROPOSES BOND ISSUE

Philadelphia Electric Company, Philadelphia, Pa., today filed a registration statement (File 2-13562) with the SEC seeking registration of \$40,000,000 of First and Refunding Mortgage Bonds, Series due 1987, to be offered for public sale at competitive bidding. Net proceeds of the sale of the bonds will be used for the company's expansion program and to repay a portion of the \$23,000,000 in bank loans which were obtained for the interim financing of construction. It is expected that additional funds to finance this program during 1957 will be obtained through further bank loans and from internal sources.

In order to continue its expansion program to provide for increasing demands for service, it is estimated that approximately \$460 million will be required for the period 1957-1961, of which about \$260 million is expected to be obtained from the sale of new securities (including the \$22 million of Common Stock sold in June of this year and the \$40 million of New Bonds), the rest of the funds being provided from internal sources to the extent available.

SEC ISSUES ORDER VACATING ORDER OF SUSPENSION

The Securities and Exchange Commission today announced that, at the request of Viola Rubber and Clifford Hayman, of New York, who proposed the formation of a limited New York partnership under the name The Postman Company, the Commission has vacated its order of March 22, 1957, temporarily suspending a Regulation A exemption from registration under the Securities Act of 1933 with respect to a public offering of \$25,000 of pre-formation limited partnership interests.

The March 22nd suspension order was based upon non-compliance with the terms and conditions of Regulation A, by reason of the failure to file the required semi-annual reports reflecting the amount of securities sold. Subsequently, a report of sales was filed, accompanied by an affidavit that the prior failure to file had been due to inadvertence. Under the circumstances, the Commission determined to vacate the suspension order. (See Securities Act Release No. 3833.)

BELLANCA STOCK FURTHER SUSPENDED

The Securities and Exchange Commission today announced the issuance of an order pursuant to Section 19(a)(4) of the Securities Exchange Act of 1934, suspending trading on the American Stock Exchange in the \$1 par Capital Stock of Bellanca Corporation, New Castle, Delaware, for a further ten-day period, August 23 to September 1, 1957, inclusive.

The action was taken on the basis of Bellanca's failure to comply with the reporting requirements of Section 13 of the Act and the disclosure requirements of the Commission's proxy rules under Section 14.

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Upon the basis of a finding by the Commission that such suspension is necessary to prevent fraudulent, deceptive, or manipulative acts or practices in connection with trading in Bellanca stock, trading by brokers and dealers in such stock in the over-the-counter markets also is prohibited during the period of the suspension.

The Commission previously ordered a hearing pursuant to Section 19(a)(2) of the Act on the question whether the Bellanca stock should be suspended for a period not exceeding 12 months, or withdrawn, from listing and registration on the Exchange. These proceedings are now in progress. (See Securities Exchange Act Release No. 5567; also Nos. 5500 and 5544.)

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