

investment in Excel shall equal \$2,718,764.91.

Columbia Gas System, Inc., et al. (70-8849)

Columbia Gas System, Inc. ("Columbia"), 20 Montchanin Road, Wilmington, Delaware 19807, a registered holding company, and three of its wholly-owned non-utility subsidiaries, Columbia Energy Services Corporation ("CES"), 121 Hill Pointe Drive, Suite 100, Canonsburg, Pennsylvania 15317, Columbia Natural Resources, Inc. ("CNR"), 900 Pennsylvania Avenue, Charleston, West Virginia 25362, and Columbia Coal Gasification Corporation ("CGC"), 900 Pennsylvania Avenue, Charleston, West Virginia 25362, have filed an application-declaration under sections 6(a), 7, 9(a), 10, and 12(f) of the Act and rules 43 and 45 thereunder.

Applicants request authorization to reorganize their existing corporate structure by (1) reincorporating CES in Delaware via a merger into a newly-formed successor corporation for the sole purpose of converting CES from a Kentucky to a Delaware corporation and (2) merging CGC with and into CNR with CNR being the surviving corporation.

The reincorporation of CES in Delaware would be accomplished under a plan of reorganization and merger pursuant to which CES, a Kentucky corporation, will be merged into CES (DE), a newly-formed Delaware corporation which will, by virtue of the merger, become a wholly-owned subsidiary of Columbia.<sup>3</sup> CES (DE) will succeed to all of the rights and assets of CES and assume all of its liabilities and obligations. The officers and directors of CES will become the officers and directors of CES (DE). The merger will qualify as a tax-free reorganization under Sections 368(a)(1) (A) and (F) of the Internal Revenue Code of 1986, as amended. No additional capital financing will occur as a result of the transaction. Applicants state that the merger and reincorporation of CES in Delaware will afford CES the benefits of Delaware's favorable business corporation laws, allow it to conduct its affairs in a more flexible and efficient manner and produce significant property tax savings.<sup>4</sup>

<sup>3</sup> All of the assets and liabilities of CES will be transferred to CES (DE) in exchange for common stock of CES (DE) which will simultaneously be transferred to Columbia in exchange for all outstanding shares of CES, leaving CES (DE) the surviving company.

<sup>4</sup> Applicants note that Delaware has followed a policy of encouraging incorporation in that state and, in furtherance of that policy, has adopted

Columbia owns all 1,939,000 outstanding shares of common stock of CGC, a Delaware corporation.<sup>5</sup> Columbia would accomplish the merger of CGC with and into CNR, a Texas corporation, by transferring all 1,939,000 shares of CGC common stock, \$25 par value per share, to CNR in exchange for approximately 343,000 shares of newly issued CNR common stock, \$25 par value per share. The actual number of shares of CNR stock will depend on the net book value of CGC on the effective date. Based upon the \$8.581 million net book value of CGC as of February 29, 1996, 343,245 CNR shares would be issued to Columbia in exchange for the 1,939,000 shares of CGC transferred to CNR. The proposed transaction will qualify as a tax-free reorganization under Section 368(a)(1)(A) of the Internal Revenue code of 1986, as amended. No additional capital financing will occur as a result of the transaction.

This exchange will make CNR the parent corporation of CGC and the temporary owner of 100% of CGC's outstanding shares. Promptly, thereafter, CGC will be merged with and into CNR pursuant to Article 5.16 of the Texas Business Corporation Act. Article 5.16 provides that, upon the merger, CNR will succeed to all of the rights and assets of CGC and will assume all of its liabilities and obligations.

Applicants expect the merger of CGC and CNR to produce significant benefits and efficiencies, including (1) simplified and less costly internal and external accounting operations; (2) reduced and less costly regulatory and compliance requirements; (3) reduced general and administrative costs, and (4) the realization of certain state tax benefits associated with being a single company.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,  
Deputy Secretary.

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comprehensive, modern and flexible corporation laws that are periodically updated and revised to meet changing business needs. They also note that a majority of Columbia's subsidiaries are already incorporated in Delaware. In addition, Delaware, unlike Kentucky, does not impose a tax on intangible property. The Columbia Energy Market Center, a division of CES that licenses and sublicenses commodity trading software used to operate an electronic bulletin board for the trading of natural gas, is subject to the tax on intangible property, the impact of which is expected to become increasingly significant as revenues generated by the bulletin board grow.

<sup>5</sup> CGC has no other class of equity stock outstanding.

## SMALL BUSINESS ADMINISTRATION

### Reporting and Recordkeeping Requirements Under OMB Review

**ACTION:** Notice of reporting requirements submitted for review.

**SUMMARY:** Under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35), agencies are required to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the Federal Register notifying the public that the agency has made such a submission.

**DATE:** Comments should be submitted on or before July 3, 1996. If you intend to comment but cannot prepare comments promptly, please advise the OMB Reviewer and the Agency Clearance Officer before the deadline.

**COPIES:** Request for clearance (OMB 83-1), supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer. Submit comments to the Agency Clearance Officer and the OMB Reviewer.

#### FOR FURTHER INFORMATION CONTACT:

Agency Clearance Officer: Jacqueline White, Small Business Administration, 409 3RD Street, S.W., 5th Floor, Washington, D.C. 20416, Telephone: (202) 205-6629

OMB Reviewer: Victoria Wasserman, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, D.C. 20503

*Title:* Small Business Development Center's Checklist.

*SBA Form No.:* SBA Form 59.

*Frequency:* Quarterly.

*Description of Respondents:* Small Business Development Centers.

*Annual Responses:* 228.

*Annual Burden:* 456.

Jacqueline White,

Chief, Administrative Information Branch.

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## SOCIAL SECURITY ADMINISTRATION

### [Social Security Acquiescence Ruling 96-1(6)]

#### DeSonier v. Sullivan; Method of Application of State Intestate Succession Law In Determining Entitlement to Child's Benefits

**AGENCY:** Social Security Administration.

**ACTION:** Notice of Social Security Acquiescence Ruling.