

Indiana Gas Co. reorganizes as Indiana Energy subsidiary

INDIANAPOLIS — Indiana Gas Co. Inc. completed its reorganization into a holding company structure at the close of business Feb. 28, Chairman of the Board and Chief Executive Officer Duane M. Amundson announced.

"Under the holding company structure, Indiana Gas will become a wholly owned subsidiary of Indiana Energy Inc., Amundson said.

"This structure should permit our business to be organized, operated and financed in a way that gives us maximum flexibility in the natural gas distribution industry's environment of rapid, far-reaching and often unpredictable change."

Effective at the close of business Feb. 28, all of the outstanding shares of common stock of Indiana Gas were to be exchanged by operation of law for shares of common stock of Indiana Energy.

Indiana Energy will become the sole holder of Indiana Gas common stock and the current holders of Indiana Gas common stock will become the holders of Indiana Energy common stock on a share-for-share basis.

The shareholders of Indiana Gas approved the reorganization at their annual meeting on Jan. 13.

"Indiana Energy may from time to time engage in acquisitions of companies with businesses which support the gas distribution business of Indiana Gas and, in some circumstances, acquire other gas distribution companies," Indiana Gas President and Chief Operating Officer Lawrence A. Ferger said. "In

addition, the holding company structure will permit Indiana Energy to diversify into other businesses outside of the gas industry but no such diversification is presently contemplated," he noted. "Under the holding company structure, new ventures can be separate from utility operations. Financing by Indiana Energy and its subsidiaries other than Indiana Gas will not be subject to the provisions of the Indiana Gas mortgage and will not directly affect the capital structure or credit of Indiana Gas. By some token, Indiana Gas will be insulated from the risks and costs associated with any new ventures," Ferger pointed out.

Indiana Gas Vice President-Finance and Chief Financial Officer Niel C. Ellerbrook said that management expects to recommend to the Board of Directors of Indiana Energy that dividends on Indiana Energy Common Stock commence at the dividend rate currently paid on Indiana Gas Common Stock and that the Indiana Energy dividends be paid on the same quarterly schedule followed by Indiana Gas.

Ellerbrook also noted that the 13 percent Cumulative Preferred Stock of Indiana Gas will continue as outstanding stock of Indiana Gas and will remain obligations of Indiana Gas. "Indiana Gas will continue to conduct its gas distribution business and the holders of the Common Stock of Indiana Energy will continue to have the same investment in Indiana Gas. Gas distribution will remain the major business under the holding company structure," Ellerbrook emphasized.

Indiana Gas Secretary Julian G. Piercefield said that a letter of instructions will be mailed during the first week of March to all holders of Indiana Gas common stock describing the procedures to exchange, without charge, their Indiana Gas stock certificates for Indiana Energy stock certificates.

Piercefield urged former Indiana Gas shareholders to exchange their Indiana Gas stock certificates for Indiana Energy stock certificates promptly after receiving the Letter of Instructions.

Amundson will be chairman of the board and Ferger will be president of both Indiana Energy and Indiana Gas; Ellerbrook will be vice president and treasurer of Indiana Energy and vice president-finance of Indiana Gas; and Piercefield will be secretary of both Indiana Energy and Indiana Gas.

Carl L. Chapman will be assistant secretary and assistant treasurer of Indiana Energy. He is also director of corporate development of Indiana Gas.

Effective Feb. 28, Indiana Gas is no longer be listed on the New York Stock Exchange. The common stock of the holding company, Indiana Energy will be listed with the new symbol IEI. Quotations in newspapers will appear under the designation of IEI.

Indiana Gas is an operating public utility engaged in the business of providing gas utility services in north central, central and southern portions of Indiana.

Indiana Gas supplies natural gas to approximately 315,000 customers in and adjacent to 208 communities in 47 counties.

1986-03-06 Indiana Gas becomes Indiana Energy



Clipped By:

criswest

Tue, Nov 15, 2022