

# SECURITIES AND EXCHANGE COMMISSION

## FORM 8-K

Current report filing

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### FILER

#### ENSERCH CORP

CIK: **33015** | IRS No.: **750399066** | State of Incorporation: **TX** | Fiscal Year End: **1231**  
Type: **8-K** | Act: **34** | File No.: **001-03183** | Film No.: **94500596**  
SIC: **4923** Natural gas transmission & distribution

Mailing Address  
300 S ST PAUL ST  
DALLAS TX 75201

Business Address  
ENSERCH CTR  
300 S ST PAUL  
DALLAS TX 75201  
2146518700

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C.

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)  
December 22, 1993

ENSERCH Corporation  
(Exact name of Registrant as specified in its charter)

Texas  
(State or other jurisdiction  
of incorporation)

1-3183  
(Commission  
File Number)

75-0399066  
(I.R.S. Employer  
Identification No.)

ENSERCH Center, 300 S. St. Paul, Dallas, Texas  
(Address of principal executive offices)

75201  
(Zip Code)

Registrant's telephone number, including Area Code:

214-651-8700

ITEM 2. Acquisition or Disposition of Assets

Set forth below in its entirety is a news release issued by ENSERCH Corporation on December 22, 1993. This release relates to ENSERCH Corporation's

closing of the sale of the principal operating assets of Ebasco Services Incorporated to Raytheon Engineers & Constructors and the sale of Dorsch Consult.

ENSERCH CLOSES EBASCO SALE;  
SELLS 49% INTEREST IN DORSCH CONSULT

DALLAS, TEXAS (December 22, 1993) -- ENSERCH Corporation has closed the sale of the principal operating assets of the Corporation's engineering and construction subsidiary, Ebasco Services, to Raytheon Engineers & Constructors. In a separate transaction, ENSERCH also has completed the sale of its 49% interest in Dorsch Consult in Germany for \$9.5 million, including debt assumption.

ENSERCH is retaining the bulk of Ebasco's accounts receivable. ENSERCH also is retaining and will operate Ebasco's environmental division, which will be known as Enserch Environmental.

"We are pleased with the proceeds from the sale of Ebasco under this agreement," said David W. Biegler, ENSERCH chairman, president and chief executive officer. "A sale price of \$210 million, accounts receivable with a net book value of \$135 million, and a retained business with a value well above its net book value of \$29 million add to a value from this sale in the upper range of most financial analysts' expectations."

"Completing these two transactions," Biegler added, "is a major step forward permitting ENSERCH to focus on its integrated natural-gas business. Proceeds from the closings and the collection of receivables provide a significant cash infusion that is being directed toward our goal of a strengthened balance sheet."

## ITEM 7. Financial Statements and Exhibits

### (b) Pro forma financial information

#### PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

The Pro Forma Condensed Consolidated Balance Sheet has been prepared to reflect the effects of the following transactions as if such transactions had occurred as of September 30, 1993:

- (1) The sale, effective December 22, 1993, by ENSERCH of the principal operating assets of its engineering and construction subsidiary, Ebasco Services Incorporated ("Ebasco"), for some \$210 million. Accounts receivable of Ebasco with a net book value of \$135 million and Ebasco's environmental business with a net book value of \$29 million were retained by ENSERCH.
- (2) The sale, effective December 17, 1993, of the Corporation's 49% interest in German-based Dorsch Consult for

\$9.3 million, including debt assumed.

The Condensed Consolidated Statements of Income for the nine months ended September 30, 1993, and for the year ended December 31, 1992, have been restated to reflect the sold engineering and construction operations, including the UK-based H&G Engineering business sold in 1992, as discontinued operations.

<TABLE>

ENSERCH CORPORATION  
CONDENSED CONSOLIDATED STATEMENT OF INCOME  
Restated for Discontinued Operations  
(Unaudited)  
For the Nine Months Ended September 30, 1993

<CAPTION>

	Previously Reported -----	Reclassification of Discontinued Operations (a) -----	Restated -----
	(In thousands except per share amounts)		
<S>	<C>	<C>	<C>
Revenues . . . . .	\$2,307,797	\$ (947,881)	\$1,359,916
	-----	-----	-----
Costs and Expenses			
Gas purchase . . . . .	712,620		712,620
Contract construction expense. . . . .	603,904	(575,043)	28,861
Operating expenses . . . . .	685,964	(341,658)	344,306
Depreciation and amortization. . . . .	104,273	(4,150)	100,123
Gross receipts and production taxes. . . . .	42,442		42,442
Payroll, ad valorem and other taxes. . . . .	40,095	(15,901)	24,194
	-----	-----	-----
Total. . . . .	2,189,298	(936,752)	1,252,546
	-----	-----	-----
Operating Income . . . . .	118,499	(11,129)	107,370
Gain on Disposition of			
Significant Assets . . . . .	2,436	(2,436)	
Other Income (Expense) - Net . . . . .	(6,479)	(646)	(7,125)
Interest Expense . . . . .	(65,071)	7,281	(57,790)
	-----	-----	-----
Income before Income Taxes . . . . .	49,385	(6,930)	42,455
Income Taxes . . . . .	28,934	(2,326)	26,608
	-----	-----	-----
Income from Continuing Operations. . . . .	20,451	(4,604)	15,847
Discontinued Operations. . . . .		4,604	4,604
	-----	-----	-----
Net Income . . . . .	\$ 20,451	\$	\$ 20,451
	=====	=====	=====
Earnings per Share of Common Stock			
Income from continuing operations (after provision for dividends on preferred stock). . . . .	\$ .16		\$ .09
Discontinued operations. . . . .			.07
	-----		-----
Earnings applicable to common stock.	\$ .16		\$ .16
	=====		=====
Average Common Shares Outstanding. . . . .	66,519		66,519

</TABLE>

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ENSERCH CORPORATION  
CONDENSED CONSOLIDATED STATEMENT OF INCOME  
Restated for Discontinued Operations  
(Unaudited)  
For the Year Ended December 31, 1992

<CAPTION>

	Previously Reported	Reclassification of Discontinued Operations (a)	Restated
	-----	-----	-----
	(In thousands except per share amounts)		
<S>	<C>	<C>	<C>
Revenues . . . . .	\$2,825,455	\$(1,110,894)	\$1,714,561
	-----	-----	-----
Costs and Expenses			
Gas purchase . . . . .	902,346		902,346
Contract construction expense. . . . .	593,998	(572,171)	21,827
Operating expenses . . . . .	946,845	(489,751)	457,094
Depreciation and amortization. . . . .	150,168	(7,456)	142,712
Gross receipts and production taxes. . . . .	52,517		52,517
Payroll, ad valorem and other taxes. . . . .	49,672	(23,052)	26,620
	-----	-----	-----
Total. . . . .	2,695,546	(1,092,430)	1,603,116
	-----	-----	-----
Operating Income . . . . .	129,909	(18,464)	111,445
Loss on Disposition of Significant Assets . . . . .	(21,489)	21,489	
Other Income (Expense) - Net . . . . .	(14,150)	1,698	(12,452)
Interest Expense . . . . .	(109,765)	12,715	(97,050)
	-----	-----	-----
Income (Loss) before Income Taxes. . . . .	(15,495)	17,438	1,943
Income Taxes (Benefit) . . . . .	(2,847)	1,780	(1,067)
	-----	-----	-----
Income (Loss) from Continuing Operations Discontinued Operations. . . . .	(12,648)	15,658 (15,658)	3,010 (15,658)
Extraordinary Loss on Extinguishment of Debt . . . . .	(15,358)		(15,358)
	-----	-----	-----
Net Loss . . . . .	\$ (28,006)	\$	\$ (28,006)
	=====	=====	=====
Earnings (Loss) per Share of Common Stock			
Loss from continuing operations (after provision for dividends on preferred stock). . . . .	\$ (.39)		\$ (.15)
Discontinued operations. . . . .			(.24)
Extraordinary loss . . . . .	(.23)		(.23)
	-----	-----	-----
Earnings applicable to common stock.	\$ (.62)		\$ (.62)
	=====		=====
Average Common Shares Outstanding. . . . .	65,695		65,695
	=====		=====

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ENSERCH CORPORATION  
PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET  
(Unaudited)  
September 30, 1993

ASSETS

<CAPTION>

	Historical	Adjustments	Pro Forma
	-----	(b)	-----
		(In thousands)	
<S>	<C>	<C>	<C>
Current Assets			
Cash and equivalents . . . . .	\$ 27,305	\$ (23,615)	\$ 3,690
Accounts receivable . . . . .	244,702	(87,589)	157,113
Costs associated with unbilled			
revenues . . . . .	285,574	(110,676)	174,898
Gas stored underground . . . . .	127,585		127,585
Gas purchase settlements			
recoverable from customers . . . . .	55,573		55,573
Other . . . . .	102,346	(3,966)	98,380
	-----	-----	-----
Total current assets . . . . .	843,085	(225,846)	617,239
Investments . . . . .	102,317	(14,391)	87,926
Property, Plant and Equipment - Net. . . . .	2,152,495	(17,797)	2,134,698
Other assets . . . . .	76,672	(29,479)	47,193
	-----	-----	-----
Total . . . . .	\$3,174,569	\$ (287,513)	\$2,887,056
	=====	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities			
Commercial paper and other short-			
term borrowings . . . . .	\$ 202,477	\$ (19,286)	\$ 183,191
Current maturities of senior			
long-term debt . . . . .	17,100		17,100
Accounts payable and other accrued			
liabilities . . . . .	467,802	(100,444)	367,358
Billings in excess of costs and			
advances on uncompleted			
contracts . . . . .	77,746	(49,216)	28,530
Accrued interest . . . . .	30,210		30,210
Other . . . . .	88,759	22,612	111,371
	-----	-----	-----
Total current liabilities . . . . .	884,094	(146,334)	737,760
Senior Long-Term Debt . . . . .	835,482	(200,000)	635,482
Convertible Subordinated Debentures . . . . .	90,750		90,750
Deferred Income Taxes . . . . .	345,516	(22,427)	323,089
Other Liabilities . . . . .	229,656	(1,752)	227,904
Adjustable Rate Preferred Stock . . . . .	175,000		175,000
Common Shareholders' Equity . . . . .	614,071	83,000	697,071
	-----	-----	-----
Total . . . . .	\$3,174,569	\$ (287,513)	\$2,887,056
	=====	=====	=====

ADJUSTMENTS FOR PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
Periods Ended September 30, 1993 and December 31, 1992  
(Unaudited)

Statements of Income Adjustments

- (a) To reclassify discontinued engineering and construction operations. The after-tax gain of approximately \$83 million, which is net of provisions for impairment of retained assets and for liabilities related to the sold businesses, has not been reflected in the statements of income restated for discontinued operations. Partially offsetting this gain, in the fourth quarter, the Corporation expects to record provisions for impairment of some of its oil and gas properties and for other matters.

Balance Sheet Adjustments

- (b) Adjustment to reflect the sale of the principal operating assets of Ebasco and the sale of the Corporation's 49% interest in Dorsch. Cash proceeds of \$210 million and \$9.3 million from the respective sales have been used to retire \$200 million of long-term debt and \$19.3 million of commercial paper indebtedness.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ENSERCH Corporation

Date: January 6, 1994

By: /s/ Jerry W. Pinkerton  
Jerry W. Pinkerton,  
Vice President and Controller,  
Chief Accounting Officer