

# SECURITIES AND EXCHANGE COMMISSION

## FORM 35-CERT

Certificate of compliance with terms by public utility company under Rule 24

Filing Date: **1994-03-02**  
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### FILER

#### **CENTRAL & SOUTH WEST CORP**

CIK: **18540** | IRS No.: **510007707** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **35-CERT** | Act: **35** | File No.: **070-07872** | Film No.: **94514138**  
SIC: **4911** Electric services

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1616 WOODALL RODGERS  
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2147541000

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

In the Matter of

TRANSOK, INC.

CERTIFICATE

CENTRAL AND SOUTH WEST CORPORATION

OF

File No. 70-7872

NOTIFICATION

(Public Utility Holding Company Act of 1935)

Transok, Inc. ("Transok") is a wholly owned non-utility subsidiary of Central and South West Corporation ("CSW"), a public utility holding company. Transok's purpose, as a natural gas pipeline company, is to provide CSW's electric operating companies with a reliable and economical source of natural gas for their electric power generation needs. CSW's electric operating companies ("associate companies") are: Central Power and Light Company; Public Service Company of Oklahoma; Southwestern Electric Power Company and West Texas Utilities Company. Transok also provides services to Central and South West Energy, Inc. and to Central and South West Services, Inc.

As a result of Security and Exchange Commission order number 70-7872 authorizing Transok's purchase of the common stock of Lear Petroleum Corporation ("Lear"), Transok is required to file semi-annual reports to include (a) current financial statements of Transok and Lear; (b) a separate listing of the types of services being rendered by Transok and Lear to (i) CSW's associate companies and (ii) non-associates; and (c) the total revenues received by Transok and Lear from and on behalf of CSW's associate companies, set forth separately, and from non-associates.

(A) Financial statements, including consolidated income statements for the twelve months ended December 31, 1993 and 1992, consolidated balance sheets ending December 31, 1993, and 1992, and consolidated cash flow statements for the twelve months ended December 31, 1993 and 1992, are attached hereto as Exhibit 1.

(B) A matrix of services provided to associates and non-associates is attached hereto as Exhibit 2.

(C) Revenues received from and on behalf of each associate company and from non-associates is presented in Exhibit 3 attached hereto.

## EXHIBIT 1

TRANSOK, INC.  
CONSOLIDATED STATEMENTS OF INCOME

For the Years Ended December 31	1993	1992
	(thousands)	
OPERATING REVENUES	\$704,913	\$543,331
OPERATING EXPENSES AND TAXES		
Gas purchased for resale	497,784	353,176
Product extraction	90,812	76,418
Other operating	47,121	36,482
Maintenance	6,240	5,502
Depreciation and amortization	29,225	22,103
Taxes, other than Federal income	10,210	9,339
Federal income taxes	3,274	8,651
TOTAL EXPENSES	684,666	511,671
OPERATING INCOME	20,247	31,660
Other Income and Deductions	7,524	461
INCOME BEFORE INTEREST CHARGES	27,771	32,121
Interest Charges		
Interest on long-term debt	14,211	4,629
Interest on short-term debt and other	1,107	7,095
NET INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES	12,453	20,397
Cumulative Effect of Change in Accounting for FAS 109 and FAS 112	6,691	--
NET INCOME	\$19,144	\$20,397

## EXHIBIT 1

TRANSOK, INC.  
CONSOLIDATED BALANCE SHEETS

For the Years Ended December 31	1993	1992
	(thousands)	
ASSETS		
Gas Plant	\$752,149	\$666,468
Less - Accumulated depreciation	181,657	160,002
	570,492	506,466
Current Assets		
Cash and cash equivalents	10,975	9,127
Accounts receivable	28,293	89,562
Materials and supplies, at average cost	6,710	6,972
Gas stored underground	21,495	5,139
Extracted products, at weighted		

average cost	6,635	4,695
Taxes receivable	7,984	--
Note receivable	2,294	2,194
Prepaid pension expense	4,286	2,958
Prepayments and other	2,336	3,668
	91,008	124,315
Other Investments, net	22,979	24,148
Deferred Charges and Other Assets	7,274	19,438
	\$691,753	\$674,367

#### CAPITALIZATION AND LIABILITIES

##### Capitalization

Common stock, \$100 par value, authorized		
95,000 shares, issued and outstanding		
92,186 shares	\$ 9,219	\$ 9,219
Paid-in capital	142,000	97,000
Retained earnings	104,387	85,243
	255,606	191,462

##### Current Liabilities

Advances from affiliates	21,274	92,219
Note payable to CSW	--	47,468
Accounts payable	111,916	118,807
Accrued taxes	--	63
Accrued interest	4,992	3,318
Other	12,419	4,981
	150,601	266,856

Notes Payable	200,000	140,000
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Deferred Income Taxes	85,546	76,049
	\$691,753	\$674,367

EXHIBIT 1

#### TRANSOK, INC.

#### CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31	1993	1992
	(thousands)	
Operating Activities		
Net Income	\$19,144	\$20,397
Non-cash items included in net income		
Depreciation and amortization	29,974	22,686
Deferred income taxes	16,461	17,502
TexCon reserve write off	(3,430)	--
Operations reserve	3,743	--
Cumulative effect of change in accounting for FAS 109 & 112	(6,691)	--
Changes in assets and liabilities		
Accounts receivable	61,269	(26,365)

Inventories	(18,034)	2,960
Taxes receivable	(7,984)	--
Note receivable	(100)	1,751
Prepaid pension expense	(1,328)	(1,187)
Prepayments and other current assets	1,332	15,580
Deferred charges and other assets	12,164	2,597
Accounts payable	(6,891)	30,445
Accrued taxes	(63)	(10,587)
Accrued interest	1,674	1,967
Other current liabilities	6,853	(12,024)
	108,093	65,722
Investing Activities		
Acquisitions	(33,068)	(26,680)
Capital expenditures	(55,193)	(72,854)
Other	(4,571)	(67)
	(92,832)	(99,601)
Financing Activities		
Medium term notes issued	60,000	140,000
Capital contribution	45,000	--
Advances from affiliates	(70,945)	16,905
Note payable to CSW	(47,468)	(114,939)
	(13,413)	41,966
Net Change in Cash and Cash Equivalents	1,848	8,087
Cash and Cash Equivalents at Beginning of Year	9,127	1,040
Cash and Cash Equivalents at End of Year	\$10,975	\$9,127

Supplementary Information:

Interest paid less capitalized amounts	\$12,837	\$13,339
Income taxes paid	\$ (3,302)	--

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<CAPTION>

SERVICES PROVIDED BY TRANSOK, INC.

	PSO	WTU	CPL	SWP	ENERGY	NON-ASSOC.
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Spot Gas Purchases	X	X	X	X		
Long Term Gas Purchases	X	X	X		X	X
Pipeline Engineering / Construction Services	X	X	X	X	X	X
Lease of Pipeline Capacity from Transok		X				
Transportation Services	X	X		X		X
Access to Gas Supply at the Wellhead	X	X	X	X		X
Backup Supply and Transportation Capacity	X	X	X	X		X
No-Notice Gas Supply & Gas Supply Swing Capabilities	X	X	X	X		
Auditing Services for Gas Supply & Transportation Contracts	X	X		X		
Rate Case Assistance	X	X	X		X	
Gas Control and Dispatching	X	X	X		X	
Legal Services	X	X			X	

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<CAPTION>

SERVICES PROVIDED BY TRANSOK, INC.

	PSO	WTU	CPL	SWP	ENERGY	NON-ASSOC.
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Administrative Services Including:						
Gas Measurement	X	X	X	X		
Gas Nominations	X	X	X			
Gas Allocation	X	X	X			
Gas Accounting	X	X	X			
Gas Reporting	X	X	X			
Computer Information Services	X	X	X			
Gas Contract Administration	X	X	X	X		

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EXHIBIT 2

TRANSOK, INC.  
REVENUES FROM & ON BEHALF OF ASSOCIATE  
COMPANIES AND FROM NON ASSOCIATES  
FOR THE YEAR ENDED DECEMBER 31, 1993  
(thousands)

PSO Transport	\$ 23,361
PSO Agency	5,140
PSO - Gas Sales	54,438
Transport of PSO Release Gas	17,701
Sales of PSO Release Gas	221,357
PSO Purchased Gas Receipts	99,352
CPL - Gas Sales	6,919
WTU - Gas Sales	5,627
WTU - Transportation	823
SWP - Gas Sales	5,157
Energy	203
CSWS	44
ASSOCIATE COMPANY	\$440,122
NON-ASSOCIATE	\$364,390
TOTAL	\$804,512