

of creditable railroad service. Benefits then become payable after the employee meets certain other requirements, which depend, in turn, on the type of annuity payable.

The requirements relating to the annuities are prescribed in 20 CFR 216, and 220.

The forms used by the RRB to collect information needed for determining entitlement to and the amount of an employee retirement annuity follow: Form AA-1, Application for Employee Annuity Under the Railroad Retirement Act is completed by an applicant for either an age and service or disability annuity. It obtains information about the applicants marital history, work history, military service, benefits from other governmental agencies and railroad pensions. Form AA-1d, Application for Determination of Employee Disability, is completed by an employee who is filing for a disability annuity under the RRA, or a disability freeze under the Social Security Act for early Medicare based on a disability. Form G-204, Verification of Workers Compensation/Public Disability Benefit Information, is used to obtain and verify information concerning worker's compensation or public disability benefits that are or will be paid by a public agency to a disabled railroad employee. Completion of the forms is required to obtain a benefit. One response is requested of each respondent.

The RRB proposes to revise Form AA-1 to add items that secure information pertaining to the direct deposit of benefits and Medicare processing and delete items no longer required. Forms AA-1, AA-1d and G-204 will be revised to add language required by the Paperwork Reduction Act of 1995. Minor non-burden impacting cosmetic and editorial changes will also be made to all three forms. The RRB estimates that 13,400 Form AA-1's, 5,650 AA-1d's and 175 G-204's are completed annually. The completion time for Form AA-1 is estimated to 37 to 62 minutes per response. The completion time for AA-1d is estimated at 35 to 60 minutes per response. The completion time for Form G-204 is estimated at 5 minutes per response.

**Additional Information or Comments:** To request more information or to obtain a copy of the information collection justification, forms, and/or supporting material, please call the RRB Clearance Officer at (312) 751-3363. Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 N. Rush Street, Chicago, Illinois 60611-2092. Written comments

should be received within 60 days of this notice.

**Chuck Mierzwa,**  
Clearance Officer.

[FR Doc. 97-29476 Filed 11-6-97; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26769]

### Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

October 31, 1997.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office or Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by November 24, 1997, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

#### **The Southern Company, et al. (70-9137); Notice of Proposal To Amend Articles of Incorporation and Authorize Registered Holding Company To Acquire Preferred Stock of Utility Subsidiaries; Order Authorizing Solicitation of Proxies**

The Southern Company ("Southern"), 270 Peachtree Street, N.W., Atlanta, Georgia 30303, a registered holding company, and certain of its public-utility subsidiaries, Alabama Power Company ("Alabama"), 600 North 18th Street, Birmingham, Alabama 35291,

Georgia Power Company ("Georgia"), 333 Piedmont Avenue, N.E., Atlanta, Georgia 30308, Gulf Power Company ("Gulf"), 500 Bayfront Parkway, Pensacola, Florida 32501, and Mississippi Power Company ("Mississippi"), 2992 West Beach, Gulfport, Mississippi 39501 (Alabama, Georgia, Gulf and Mississippi collectively, "Subsidiaries"), have filed an application-declaration under sections 6(a), 7, 9(a), 10, 12(c), 12(d) and 12(e) of the Act, and rules 43, 44, 51, 54, 62 and 65 thereunder.

#### **Alabama**

Alabama has outstanding 5,608,955 shares of common stock, par value \$40 per share ("Alabama Common Stock"), all of which are held by Southern. Alabama's outstanding preferred stock consists of: (1) 5.52 million shares of Class A cumulative preferred stock, stated capital \$25 per share, issued in three series,<sup>1</sup> which are traded on the New York Stock Exchange ("Alabama NYSE Preferred Stock"); (2) 704,000 shares of cumulative preferred stock, par value \$100 per share, issued in six series,<sup>2</sup> which are traded over-the-counter ("Alabama \$100 Preferred Stock"); (3) 200 shares of Class A cumulative preferred stock, stated capital \$100,000 per share, which are traded over-the-counter ("Alabama 1993 Auction Preferred Stock"); and (4) 500,000 shares of Class A cumulative preferred stock, stated capital \$100, which are traded over-the-counter ("Alabama 1988 Auction Preferred Stock" and, together with the Alabama NYSE Preferred Stock, Alabama \$100 Preferred Stock and Alabama 1993 Auction Preferred Stock, "Alabama Preferred Stock"). Alabama has outstanding no other class of equity securities.

Paragraph A.2.f.(2) of Article IX of Alabama's Charter ("Alabama Charter") currently provides that, so long as any shares of Alabama's Preferred Stock are outstanding, without the affirmative vote of the holders of at least a majority

<sup>1</sup> The three series of Alabama NYSE Preferred Stock consist of a 6.80% series, of which 1.52 million shares are outstanding ("6.80% Series"); a 6.40% series, of which two million shares are outstanding ("6.40% Series"); and an adjustable rate series, of which two million shares are outstanding ("AR Series").

<sup>2</sup> The six series of Alabama \$100 Preferred Stock consist of a 4.20% series, of which 364,000 shares are outstanding ("4.20% Series"); a 4.52% series, of which 50,000 shares are outstanding ("4.52% Series"); a 4.60% series, of which 100,000 shares are outstanding ("4.60% Series"); a 4.64% series, of which 60,000 shares are outstanding ("4.64% Series"); a 4.72% series, of which 50,000 shares are outstanding ("4.72% Series"); and a 4.92% series, of which 80,000 shares are outstanding ("4.92% Series").

of the total voting power of the outstanding Alabama Preferred Stock, Alabama shall not issue or assume any securities representing unsecured debt (other than for the purpose of refunding or renewing outstanding unsecured securities issued by Alabama resulting in equal or longer maturities or redeeming or otherwise retiring all outstanding shares of the Alabama Preferred Stock or of any senior or equally ranking stock) if, immediately after the issue or assumption, the total outstanding principal amount of all securities representing unsecured debt of Alabama would exceed 20% of the aggregate of all existing secured debt of Alabama and the capital stock, premiums thereon and surplus of Alabama as stated on Alabama's books ("Alabama Debt Limitation Provision").

Paragraph A.2f.(1) of Article IX of the Alabama Charter currently provides that, so long as any shares of Alabama Preferred Stock are outstanding, without the affirmative vote of the holders of at least a majority of the total voting power of the outstanding Alabama Preferred Stock, Alabama shall not dispose of all or substantially all of its property or merge or consolidate, unless the action has been approved by the Commission ("Alabama Merger Provision").

Paragraph A.2.b. (except the first paragraph therein) of Article IX of the Alabama Charter currently provides that, so long as any shares of Alabama Preferred Stock are outstanding (except as may be approved or permitted by the affirmative vote of the holders of at least two-thirds of the total voting power of the outstanding Alabama Preferred Stock), Alabama's payment of dividends on the Alabama Common Stock is limited to 50% of net income available for the stock during a period of 12 months if, calculated on a corporate basis, the ratio of Alabama Common Stock equity to total capitalization, including surplus, adjusted to reflect the payment of the proposed dividend, is below 20% and to 75% of net income if the ratio is 20% or more but less than 25% ("Alabama Common Stock Dividend Provision").

The clause after the words "January 31, 1942" in the first paragraph of Paragraph A.2.b. of Article IX of the Alabama Charter currently provides that, so long as any shares of Alabama Preferred Stock are outstanding, Alabama shall not pay dividends on Alabama common Stock (except those paid concurrently with the receipt of a cash capital contribution in like amount) in cases where retained earnings are not at least equal to two times annual dividends on the outstanding Alabama Preferred Stock

("Alabama Retained Earnings Dividend Provision" and, together with the Alabama Debt Limitation Provision, the Alabama Merger Provision and the Alabama Common Stock Dividend Provision, ("Alabama Restriction Provisions").

#### Georgia

Georgia has outstanding 7.7615 million shares of common stock, no par value ("Georgia Common Stock"), all of which are held by Southern. Georgia's outstanding preferred stock consists of: (1) 8.1565 million shares of Class A cumulative preferred stock, stated value \$25 per share, issued in three series,<sup>3</sup> which are traded on the New York Stock Exchange ("Georgia NYSE Preferred Stock"); and (2) 1,177,864 shares of cumulative preferred stock, stated value \$100 per share, issued in eleven series,<sup>4</sup> which are traded over-the-counter ("Georgia OTC Preferred Stock" and, together with the Georgia NYSE Preferred Stock, "Georgia Preferred Stock"). Georgia has outstanding no other class of equity securities.

Subparagraph 14.A.3.f.(2) of Paragraph III of Georgia's Charter, as amended ("Georgia Charter"), currently provides that, so long as any shares of Georgia Preferred Stock are outstanding, without the affirmative vote of the holders of at least a majority of the total voting power of the outstanding Georgia Preferred Stock, Georgia shall not issue or assume any securities representing unsecured debt (other than for the purpose of refunding or renewing outstanding unsecured securities issued by Georgia resulting in equal or longer maturities or redeeming or otherwise retiring all outstanding shares of the Georgia Preferred Stock or of any senior or equally ranking stock) if, immediately

after the issue or assumption, (1) the total outstanding principal amount of all securities representing unsecured debt of Georgia would exceed 20% of the aggregate of all existing secured debt of Georgia and the capital stock, premiums thereon and surplus of Georgia as stated on Georgia's books; or (2) the total outstanding principal amount of all securities representing unsecured debt of Georgia of maturities of less than ten years<sup>5</sup> would exceed 10% of the aggregate ("Georgia Debt Limitation Provision").

Subparagraph 14.A.3.f.(1) of Paragraph III of the Georgia Charter currently provides that, so long as any shares of Georgia Preferred Stock are outstanding, without the affirmative vote of the holders of at least a majority of the total voting power of the outstanding Georgia Preferred Stock, Georgia shall not dispose of all or substantially all of its property or merge or consolidate, unless the action has been approved by the Commission under the Act ("Georgia Merger Provision").

Subparagraph 14.A.3.b. (except the first paragraph therein) of Paragraph III of the Georgia Charter currently provides that, so long as any shares of Georgia Preferred Stock are outstanding, Georgia's payment of dividends on the Georgia Common Stock is limited to 50% of net income available for the stock during a period of 12 months if, calculated on a corporate basis, the ratio of Georgia Common Stock equity to total capitalization, including surplus, adjusted to reflect the payment of the proposed dividend, is below 20%, and to 75% of net income if the ratio is 20% or more but less than 25% ("Georgia Common Stock Dividend Provision" and, together with the Georgia Debt Limitation Provision and the Georgia Merger Provision, "Georgia Restriction Provisions").

#### Gulf

Gulf has outstanding 992,717 shares of common stock, no par value ("Gulf Common Stock"), all of which are held by Southern. Gulf's outstanding preferred stock consists of: (1) 151,026 shares of preferred stock, par value \$100 per share, issued in three series,<sup>6</sup> which

<sup>3</sup>The three series of Georgia NYSE Preferred Stock consist of a \$1.925 series, of which 1.1565 million shares are outstanding ("S1.925 Series"); an adjustable rate (first 1993) series, of which three million shares are outstanding ("AR1 1993 Series"); and an adjustable rate (second 1993) series, of which four million shares are outstanding ("AR2 1993 Series").

<sup>4</sup>The eleven series of Georgia OTC Preferred Stock consist of a \$4.60 series, of which 433,774 shares are outstanding ("S4.60 Series"); a \$4.60 1962 series, of which 70,000 shares are outstanding ("S4.60 1962 Series"); a \$4.60 1963 series, of which 70,000 shares are outstanding ("S4.60 1963 Series"); a \$4.60 1964 series, of which 50,000 shares are outstanding ("S4.60 1964 Series"); a \$4.72 series, of which 60,000 shares are outstanding ("S4.72 Series"); a \$4.92 series, of which 100,000 shares are outstanding ("S4.92 Series"); a \$4.96 series, of which 70,000 shares are outstanding ("S4.96 Series"); a \$5.00 series, of which 14,090 shares are outstanding ("S5.00 Series"); a \$5.64 series, of which 90,000 shares are outstanding ("S5.64 Series"); a \$6.48 series, of which 120,000 shares are outstanding ("S6.48 Series"); and a \$6.60 series, of which 100,000 shares are outstanding ("S6.60 Series").

<sup>5</sup>For the purpose of this provision, the payment due upon the maturity of unsecured debt having an original single maturity in excess of ten years or the payment due upon the final maturity of any unsecured serial debt which had original maturities in excess of ten years shall not be regarded as unsecured debt of a maturity less than ten years until the payment shall be required to be made within three years.

<sup>6</sup>The three series of Gulf \$100 Preferred Stock consist of a 4.64% series, of which 51,026 shares

are traded over-the-counter ("Gulf \$100 Preferred Stock"); and (2) 1.4 million shares of Class A preferred stock, par value \$10 per share, stated capital \$25 per share, issued in two series,<sup>7</sup> which are traded over-the-counter ("Gulf \$10 Preferred Stock" and, together with the Gulf \$100 Preferred Stock, "Gulf Preferred Stock"). Gulf has outstanding no other class of equity securities.

Paragraph (F)(b) under the "General Provisions" of the "Preferred Stock" section of Gulf's Restated Articles of Incorporation, as amended ("Gulf Charter"), currently provides that, so long as any shares of Gulf Preferred Stock are outstanding, without the affirmative vote of the holders of at least a majority of the total voting power of the outstanding Gulf Preferred Stock, Gulf shall not issue or assume any securities representing unsecured debt (other than for the purpose of refunding or renewing outstanding unsecured securities issued by Gulf resulting in equal or longer maturities or redeeming or otherwise retiring all outstanding shares of the Gulf Preferred Stock or of any senior or equally ranking stock) if, immediately after the issue or assumption, (1) the total outstanding principal amount of all securities representing unsecured debt or Gulf would exceed 20% of the aggregate of all existing secured debt of Gulf and the capital stock, premiums thereon and surplus of Gulf as stated on Gulf's books; or (2) the total outstanding principal amount of all securities representing unsecured debt of Gulf maturities of less than ten years<sup>8</sup> would exceed 10% of the aggregate ("Gulf Debt Limitation Provision").

Paragraph (F)(a) under "General Provisions" of the "Preferred Stock" section of the Gulf Charter currently provides that, so long as any shares of Gulf Preferred Stock are outstanding, without the affirmative vote of the holders of at least a majority of the total voting power of the outstanding Gulf Preferred Stock, Gulf shall not dispose of all or substantially all of its property

are outstanding ("4.64% Series"); a 5.16% series, of which 50,000 shares are outstanding ("5.16% Series"); and a 5.44% series, of which 50,000 shares are outstanding ("5.44% Series").

<sup>7</sup> The two series of Gulf \$10 Preferred Stock consist of a 6.72% series, of which 800,000 shares are outstanding ("6.72% Series"); and an adjustable rate (1993) series, of which 600,000 shares are outstanding ("AR 1993 Series").

<sup>8</sup> For the purpose of this provision, the payment due upon the maturity of unsecured debt having an original single maturity in excess of ten years or the payment due upon the final maturity of any unsecured serial debt which had original maturities in excess of ten years shall not be regarded as unsecured debt of a maturity less than ten years until the payment shall be required to be made within three years.

or merge or consolidate, unless the action has been approved by the Commission under the Act ("Gulf Merger Provision").

Paragraph (B) (except the first paragraph therein) under the "General Provisions" of the "Preferred Stock" section of the Gulf Charter currently provides that, so long as any shares of Gulf Preferred Stock are outstanding (except as may be approved or permitted by the affirmative vote of the holders of at least two-thirds of the total voting power of the outstanding Gulf Preferred Stock), Gulf's payment of dividends on the Gulf Common Stock are limited to 50% of net income available for the stock during a period of 12 months if, calculated on a corporate basis, the ratio of Gulf Common Stock equity to total capitalization, including surplus, adjusted to reflect the payment of the proposed dividend, is below 20%, and to 75% of net income if the ratio is 20% or more but less than 25% ("Gulf Common Stock Dividend Provision" and, together with the Gulf Debt Limitation Provision and the Gulf Merger Provision, "Gulf Restriction Provisions").

#### *Mississippi*

Mississippi has outstanding 1.121 million shares of common stock, without par value ("Mississippi Common Stock"), all of which are held by Southern. Mississippi's outstanding preferred stock consists of: (1) 936,160 shares of depositary preferred shares, each representing one-fourth a share of preferred stock, par value \$100 per share, issued in two series,<sup>9</sup> which are traded on the New York Stock Exchange ("Mississippi NYSE Preferred Stock"); and (2) 160,099 shares of cumulative preferred stock, par value \$1000 per share, issued in four series,<sup>10</sup> which are traded over-the-counter ("Mississippi OTC Preferred Stock" and, together with Mississippi NYSE Preferred Stock, "Mississippi Preferred Stock"). Mississippi has outstanding no other class of equity securities.

Subparagraph (F)(b) of Paragraph FOURTH under "General Provisions" of the "Preferred Stock" section of

<sup>9</sup> The two series of Mississippi NYSE Preferred Stock consist of a 6.32% series, of which 600,000 shares are outstanding ("6.32% Series"); and a 6.65% series, of which 336,160 shares are outstanding ("6.65% Series").

<sup>10</sup> The four series of Mississippi OTC Preferred Stock consist of a 4.40% series, of which 40,000 shares are outstanding ("4.40% Series"); a 4.60% series, of which 20,099 shares are outstanding ("4.60% Series"); a 4.72% series, of which 50,000 shares are outstanding ("4.72% Series"); and a 7.00% series, of which 50,000 shares are outstanding ("7.00% Series").

Mississippi's Articles of Incorporation, as amended ("Mississippi Charter"), currently provides that, so long as any shares of Mississippi Preferred Stock are outstanding, without the affirmative vote of the holders of at least a majority of the outstanding Mississippi Preferred Stock, Mississippi shall not issue or assume any securities representing unsecured debt (other than for the purpose of refunding or renewing outstanding unsecured securities issued by Mississippi resulting in equal or longer maturities or redeeming or otherwise retiring all outstanding shares of the Mississippi Preferred Stock or any senior or equally ranking stock) if, immediately after the issue or assumption, (1) the total outstanding principal amount of all securities representing unsecured debt of Mississippi would exceed 20% of the aggregate of all existing secured debt of Mississippi and the capital stock, premiums thereon and surplus of Mississippi as stated on Mississippi's books; or (2) the total outstanding principal amount of all securities representing unsecured debt of Mississippi of maturities of less than ten years<sup>11</sup> would exceed 10% of the aggregate ("Mississippi Debt Limitation Provision").

Subparagraph (F)(a) of Paragraph FOURTH under the "General Provisions" of the "Preferred Stock" section of the Mississippi Charter currently provides that, so long as any shares of Mississippi Preferred Stock are outstanding, without the affirmative vote of the holders of at least a majority of the outstanding Mississippi Preferred Stock, Mississippi shall not dispose of all or substantially all of its property or merge or consolidate, unless the action has been approved by the Commission under the Act ("Mississippi Merger Provision").

Subparagraph (B) (except the first paragraph therein) of Paragraph FOURTH under "General Provisions" of the "Preferred Stock" section of the Mississippi Charter currently provides that, so long as any shares of Mississippi Preferred Stock are outstanding, Mississippi's payment of dividends on the Mississippi Common Stock are limited to 50% of net income available for the stock during a period of 12 months if, calculated on a corporate

<sup>11</sup> For the purpose of this provision, the payment due upon the maturity of unsecured debt having an original single maturity in excess of ten years or the payment due upon the final maturity of any unsecured serial debt which had original maturities in excess of ten years shall not be regarded as unsecured debt of a maturity less than ten years until the payment shall be required to be made within three years.

basis, the ratio of Mississippi Common Stock equity to total capitalization, including surplus, adjusted to reflect the payment of the proposed dividend, is below 20%, and to 75% of net income if the ratio is 20% or more but less than 25% ("Mississippi Common Stock Dividend Provision" and together with the Mississippi Debt Limitation Provision and the Mississippi Merger Provision, "Mississippi Restriction Provisions" and, Mississippi Restriction Provisions together with Georgia Restriction Provisions, Gulf Restriction Provisions and Alabama Restriction Provisions "Subsidiary Restriction Provisions).

Each Subsidiary proposes to solicit proxies ("Proxy Solicitation") from the holders of its outstanding shares of Preferred Stock of each series (except in the case of Georgia for the \$1.925 Series) and Common Stock for use at a special meeting of its stockholders ("Special Meeting") to consider a proposed amendment to its Charter that would in each case eliminate the Subsidiary Restriction Provisions ("Proposed Amendment"). Adoption of the Proposed Amendment requires the affirmative vote at a Subsidiary's Special Meeting (in person by ballot or by proxy) of the holders of at least (1) two-thirds of the voting power of the outstanding shares of the Preferred Stock of all Series, voting together as one class, and (2) in the case of Georgia, two-thirds of the Common Stock, and in the case of Alabama, Gulf and Mississippi, a majority of the Common Stock. Southern will vote its shares of Common Stock in favor of the Proposed Amendment. The Subsidiaries have engaged Corporate Investor Communications, Inc. to act as information agent in connection with the Proxy Solicitations for a fee plus reimbursement of reasonable out-of-pocket expenses.

If a Proposed Amendment is adopted, Alabama, Georgia, Gulf and Mississippi, as the case may be, propose to make a special cash payment equal to 1.00% of the par value, stated value or stated capital, as applicable, per share of the Preferred Stock (except that the special cash payment shall equal 0.25% of the stated capital per share for shares of the Alabama 1988 Auction Stock and the Alabama 1993 Preferred Stock) (each, a "Special Cash Payment") for each share of Preferred Stock (each, a "Share" except for Shares of Georgia's \$1.925 Series) properly voted at the Social Meeting in favor of the Proposed Amendment, provided that the Shares are not tendered under the concurrent cash tender offer described below. Alabama, Georgia, Gulf and Mississippi

will disburse Special Cash Payments out of their general funds, promptly after adoption of a Proposed Amendment.

Currently with the commencement of the Proxy Solicitations, subject to the terms and conditions stated in the relevant offering documents,<sup>12</sup> Southern proposes to make offers (each an "Offer") to the holders of Alabama's Preferred Stock of the 4.20% Series ("Alabama Tendered Series"), Georgia's Preferred Stock of the \$4.60 Series, the \$4.60 1962 Series, the \$4.60 1963 Series, the \$4.60 1964 Series, the \$4.72 Series, the \$4.92 Series, the \$4.96 Series, the \$5.00 Series and the \$5.64 Series (collectively, "Georgia Tendered Series"), Gulf's Preferred Stock of each series (collectively, "Gulf Tendered Series") and Mississippi's Preferred Stock of the 4.40% Series, the 4.60% Series and the 4.72% Series (collectively, "Mississippi Tendered Series"), under which Southern will offer to acquire from the holders of the Alabama, Georgia, Gulf and Mississippi Preferred Stock of each Tendered Series any and all Shares of that series at the cash purchase prices to be specified in the Offer (subject to potential increase or decrease under the terms of the Offer) ("Purchase Price"). Southern anticipates that the Offer for each Tendered Series of Preferred Stock will be scheduled to expire at 5:00 P.M. (New York City time) on the date of the Special Meeting, ("Expiration Date").

In addition, Georgia has entered into an agreement to purchase shares of its AR1 1993 Series and AR2 1993 Series from the holders of the Georgia NYSE Preferred Stock (collectively, "AR2 1993 Series"). It is proposed that, subject to Commission authorization herein, Georgia may assign its rights under the contract to Southern, which it is expected would then purchase shares of the AR 1993 Series not later than the time at which Southern purchases the shares under the Georgia Offer, and Georgia would purchase the shares of the AR 1993 Series from Southern (at the price paid by Southern) not later than the time at which Georgia purchases Shares sold to Southern under the Georgia Offer.

The Offer consists of separate requests to acquire each of the Alabama Tendered Series, the nine Georgia Tendered Series, the five Gulf Tendered Series and the three Mississippi

Tendered Series (collectively, "Tendered Series"), with the offer for any one Tendered Series being independent of the offer for any other Tendered Series. The applicable Purchase Price and the other terms and conditions of the Offers apply equally to all Preferred Stockholders of the respective Tendered Series. The Offers are not conditioned upon any minimum number of Shares of the applicable Tendered Series being tendered, but are conditioned, among other things, on the Proposed Amendments being adopted at the respective Special Meetings. Subject to the terms of the offering documents, Southern will purchase at the applicable Purchase Price any and all Shares of any Tendered Series that are validly tendered and not withdrawn prior to the Expiration Date.

To tender Shares according to the terms of the offering documents, the tendering Preferred Stockholder must either: (1) send to The Bank of New York, in its capacity as depositary for the Offer ("Depositary"), a properly completed and duly executed Letter of Transmittal and Proxy for that Series (if not voting at the Special Meeting in person by ballot), together with any required signature guarantees and any other documents required by the Letter of Transmittal and Proxy, and either (a) certificates for the Shares to be tendered must be received by the Depositary at one of its addresses specified in the offering documents, or (b) the Shares must be delivered under the procedures for book-entry transfer described in the offering documents (and a confirmation of the delivery must be received by the Depositary), in each case by the Expiration Date; or (2) comply with a guaranteed delivery procedure specified in the offering documents. Tenders of Shares made under an Offer may be withdrawn at any time prior to the Expiration Date. Thereafter, the tenders are irrevocable, subject to certain exceptions identified in the offering documents.

Southern states that its obligations to proceed with the Offers and to accept for payment and to pay for any Shares tendered will be made in accordance with rule 51 under the Act and are subject to various conditions enumerated in the offering documents, including receipt of a Commission order under the Act authorizing the proposed transactions and the adoption of the Proposed Amendments at the Special Meetings.

At any time or from time to time, Southern may extend the Expiration Date applicable to any Series by giving notice of the extension to the Depositary, without extending the

<sup>12</sup> With respect to Shares subject to both the Proxy Solicitation and Southern's offer to the holders of certain Preferred Stock, the transactions will be effected by means of the same core document—a combined proxy statement and issuer tender offer statement under the Securities Exchange Act of 1934 ("Exchange Act") and applicable rules and regulations thereunder.

Expiration Date for any other Series. During any extension, all shares of the applicable Series previously tendered will remain subject to the Offer, and may be withdrawn at any time prior to the Expiration Date as extended.

Conversely, Southern may elect in its sole discretion to terminate the Offer prior to the scheduled Expiration Date and not accept for payment and pay for any Shares tendered, subject to applicable provisions of rule 13e-4 under the Exchange Act requiring Southern either to pay the consideration offered or to return the Shares tendered promptly after the termination or withdrawal of the Offer, upon the occurrence of any of the conditions to closing enumerated in the offering documents, by giving notice of the termination to the Depository and making a public announcement thereof.

Subject to compliance with applicable law, Southern further reserves the right in the offering documents, in its sole discretion, to amend one or more Offers in any respect by making a public announcement thereof. If Southern materially changes the terms of an Offer or the information concerning an Offer, or if it waives a material condition of an Offer, Southern will extend the Expiration Date to the extent required by the applicable provisions of rule 13e-4 under the Exchange Act. Those provisions require that the minimum period during which an issuer tender offer must remain open following material changes in the terms of the offer or information concerning the offer (other than a change in price or change in percentage of securities sought) will depend on the facts and circumstances, including the relative materiality of the terms or information. If an Offer is scheduled to expire at any time earlier than the expiration of a period ending on the tenth business day from, and including, the date that Southern notifies Preferred Stockholders that it will: (1) increase or decrease the price it will pay for Shares; (2) decrease the percentage of Shares it seeks; or (3) increase or decrease soliciting dealer's fees, the Expiration Date will be extended until the expiration of the period of ten business days.

Shares validly tendered to the Depository under an Offer and not withdrawn according to the procedures stated in the offering documents will be held by Southern until the Expiration Date (or returned if the Offer is terminated). Subject to the terms and conditions of the Offer, as promptly as practicable after the Expiration Date, Southern will accept for payment (and thereby purchase) and pay for shares validly tendered and not withdrawn.

Southern will pay for Shares that it has purchased under the Offer by depositing the applicable Purchase Price with the Depository, which will act as agent for the tendering Preferred Stockholders to receive payment from Southern and transmit payment to tendering Preferred Stockholders. Southern will pay all stock transfer taxes, if any, payable on account of its acquisition of Shares under the Offer, except in certain circumstances where special payment or delivery procedures are utilized in conformance with the applicable Letters of Transmittal and Proxy.

With respect to Shares validly tendered and accepted for payment by Southern, each tendering Preferred Stockholder will be entitled to receive as consideration from Southern only the applicable Purchase Price (which Southern anticipates will reflect a premium over the current market price at the commencement of the Offers). Any holder will not be entitled to receive, with respect to the tendered Shares, additional consideration in the form of a Special Cash Payment.

As noted above, subject to the terms and conditions of the Offer, Shares validly tendered and not withdrawn will be accepted for payment and paid for by Southern as promptly as practicable after the Expiration Date. If a Proposed Amendment is adopted at a Subsidiary's Special Meeting, promptly after consummation of the Offer the Subsidiary will purchase the Shares sold to Southern under the Offer at the relevant Purchase Price plus expenses incurred in the Offer, and the Subsidiary will retire and cancel the Shares.

If a Proposed Amendment is not adopted at the Special Meeting, Southern may elect, but is not obligated, to waive the condition, subject to applicable law. In that case, as promptly as practicable after Southern's waiver and purchase of any Shares validly tendered under the Offers, the affected Subsidiary anticipates that it may either adjourn the Special Meeting or call another special meeting of its common and preferred stockholders and solicit proxies therefrom for the same purpose as in the instant proceeding, i.e., to secure the requisite two-thirds affirmative vote of preferred stockholders to amend the Charter to eliminate the Restriction Provisions. At that meeting, Southern would vote any Shares it acquired under the Offer or otherwise<sup>13</sup> (as well as all of its shares

<sup>13</sup> Following the Expiration Date and the consummation of the purchase of Shares under the Offer, Southern or one or more Subsidiaries may determine to purchase additional Shares on the

of Common Stock) in favor of the proposed Charter amendment to eliminate the Restriction Provisions.<sup>14</sup> If the proposed amendment is adopted at that meeting, and in any event within one year from the Expiration Date (including any potential extension thereof under the Offer), Southern will promptly after the meeting or at the expiration of the one-year period, as applicable, sell the Shares to the Subsidiary at the Purchase Price plus expenses paid under the Offer, and the Subsidiary will then retire and cancel the Shares. Merrill Lynch, Pierce, Fenner & Smith Incorporated will act as dealer manager for Southern in connection with the Offers.<sup>15</sup>

To finance its purchase of any Shares tendered, accepted for payment and paid for under the Offer, Southern intends to use its general funds and/or incur short-term indebtedness in an amount sufficient to pay the Purchase Price for all tendered Shares.

The Subsidiaries state that they consider the Restriction Provision a significant impediment to their ability to maintain financial flexibility and minimize their financing costs, to the detriment of their utility customers and, indirectly, Southern's shareholders. Southern and the Subsidiaries assert that the ongoing financing flexibility and cost benefits to be gained by the Subsidiaries as a result of elimination of the Restriction Provisions outweigh the one-time cost of the Special Cash Payments and the other costs of the Proxy Solicitation. Southern and the Subsidiaries further represent that the terms of the purchase of Shares under

open market, in privately negotiated transactions, through one or more tender offers or otherwise. Southern will not undertake any such transactions without receipt of any required Commission authorizations under the Act in one or more separate proceedings. Likewise, if a further special meeting is necessary, the Subsidiaries would not undertake any associated proxy solicitation and proposed Charter amendment prior to receipt of any required Commission authorizations under the Act in a separate proceeding.

<sup>14</sup> By contrast, if a Subsidiary, rather than Southern, had acquired Shares under the Offer, upon acquisition by the Subsidiary any Shares would be deemed treasury shares under Alabama, Georgia, Maine and Mississippi law, as the case may be, and, the Subsidiary would be precluded from voting those Shares under any circumstances.

<sup>15</sup> Southern proposes to agree to pay the dealer manager a fee for Shares tendered, accepted for payment and paid for pursuant to the Offer and a fee for any Shares that are not tendered pursuant to the Offers but which are voted in favor of the Proposed Amendment, and to reimburse the dealer manager for certain of its reasonable out-of-pocket expenses. In addition, Southern proposes to pay a solicitation fee for any Shares tendered, accepted for payment and paid for pursuant to the Offer and each Subsidiary proposes to pay a separate fee for any of their respective Shares that are not tendered pursuant to the Offer but which vote in favor of the Proposed Amendment.

the Offers will benefit not only tendering Preferred Stockholders (by affording certain Preferred Stockholders who may not favor the elimination of the Restriction Provisions an option to exit the Preferred Stock at a premium to the market price and without the usual transaction costs associated with a sale) but also, taking into account all related transaction costs, Southern's shareholders and Southern System utility customers by: (1) contributing to the elimination of the Restriction Provisions; and (2) resulting in the acquisition and retirement of outstanding Shares and their potential replacement with comparatively less expensive financing alternatives, such as short-term debt.

As noted, the Subsidiaries propose to submit the Proposed Amendment for consideration and action at special meetings of the stockholder and, in connection therewith, to solicit proxies from the holders of their capital stock. The Subsidiaries request that the effectiveness of the application-declaration with respect to the Proxy Solicitations on the Proposed Amendments be permitted to become effective immediately, under rule 62(d).

The applicants also request authorization to deviate from the preferred stock provisions of the *Statement of Policy Regarding Preferred Stock Subject to the Public Utility Holding Company Act of 1935*, HCAR No. 13106 (Feb. 16, 1956), to the extent applicable with respect to the Proposed Amendments.

It appears to the Commission that the application-declaration to the extent that it relates to the proposed solicitation of proxies should be permitted to become effective immediately under rule 62(d):

*It is ordered*, that the application-declaration, to the extent that it relates to the proposed solicitation of proxies be, and it hereby is, permitted to become effective immediately under rule 62 and subject to the terms and conditions prescribed in rule 24 under the Act.

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

**Jonathan G. Katz,**  
Secretary.

[FR Doc. 97-29418 Filed 11-6-97; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26770]

### Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

October 31, 1997.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated thereunder. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by November 24, 1997, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

#### Central and South West Services, Inc. (70-8531)

Central and South West Services, Inc. ("CSWS"), 1616 Woodall Rodgers Freeway, P.O. Box 660164, Dallas, Texas, 75266, a nonutility subsidiary company of Central and South West Corporation ("CSW"), a registered holding company, has filed a post-effective amendment, under sections 9(a) and 10 of the Act and rule 54 under the Act, to an application-declaration filed under sections 9(a) and 10 of the Act.

By order dated April 26, 1995 (HCAR 26280) ("Order"), CSWS, which operates an engineering and construction department that provides power plant control system procurement, integration and programming services as well as power plant engineering and construction services to associates within the CSW

system, was authorized to provide such services to non-associates through December 31, 1997.

The order provides that the charges for services to nonassociates are negotiated and that CSWS anticipates that a substantial portion of the services will be priced on a time and materials basis. CSWS intends to price the services to result in an after-tax profit margin of 15%. Finally, the Order provides that profits or losses from the services to non-associates would be accounted for in accordance with requirements of the Uniform System of Accounts for service companies engaged in business with non-associate companies.

CSWS now requests an extension of the authorization contained in the Order through December 31, 2002.

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

**Jonathan G. Katz,**  
Secretary.

[FR Doc. 97-29472 Filed 11-6-97; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC-22871; File No. 812-10854]

### Salomon, Inc.

November 3, 1997.

**AGENCY:** Securities and Exchange Commission ("SEC").

**ACTION:** Notice of application under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from section 15(f)(1)(A) of the Act.

**SUMMARY OF APPLICATION:** Applicant Salomon Inc ("Salomon") requests an order to permit Salomon and its investment advisory subsidiaries, Salomon Brothers Asset Management ("SBAM") and Salomon Brothers Asset Management Limited ("SBAM Limited") that act as investment adviser on subadviser (collectively, "Advisers") to one or more registered investment companies, to receive payment in connection with the sale of applicant's advisory business. Without the requested exemption, an investment company advised by an Adviser would have to reconstitute its board of directors ("Board") to meet the 75 percent non-interested director requirement of section 15(f)(1)(A).

**FILING DATE:** The application was filed on November 3, 1997.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the application will be