SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–27602]

Filings Under the Public Utility Holding Company Act of 1935, As Amended (''Act'')

November 15, 2002.

Notice is hereby given that the following filings have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. 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 amendment(s) is/are available for public inspection through the Commission's Branch 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 December 10, 2002 to the Secretary, Securities and Exchange Commission, Washington, DC 20549–0609, 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 the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts 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 December 10, 2002, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

American Electric Power Service Corporation (70–8531)

American Electric Power Service Corporation (''AEPSC''), 1 Riverside Plaza, Columbus, Ohio 43215, a service company subsidiary of American Electric Power Corporation (''AEP''), a registered holding company, has filed a post-effective amendment to an application under sections 9(a) and 10 of the Act and rule 54 under the Act.

By order dated April 26, 1995 (HCAR No. 26280) (''Initial Order'') the Commission authorized Central and South West Services, Inc. (''CSWS''), a service company subsidiary of Central and South West Corporation (''CSW''), a registered holding company, to use excess resources in its engineering and construction department, which resources may not be needed to provide services to affiliates within its system at any given time, to provide power plant control system procurement, integration and programming services, and power plant engineering and construction services to nonaffiliated utilities through December 31, 1997. By order dated December 11, 1997 (HCAR No. 26794) (''Extension Order''), the Commission extended the term of the authority granted by the Initial Order through December 31, 2002.By order dated July 21, 1998 (HCAR No. 26898) (''Supplemental Order'') the Commission approved an application to more accurately define engineering and construction services provided to nonaffiliated entities and to permit the provision of environmental licensing, testing, compliance and remediation as well as equipment maintenance to nonaffiliated entities.

By order dated June 24, 2000 (HCAR No. 27186) (''Merger Order'') the Commission approved, among other things the merger of CSW and AEP, the merger of CSWS into AEPSC, the succession of AEPSC to the authority granted in the Initial Order, the Extension Order and the Supplemental Order, and the extension of that authorized activity to all affiliate companies in the post-merger AEP system.

AEPSC now requests that the Commission amend the authority granted in the Initial Order, as amended by the Extension Order, the Supplemental Order, and the Merger Order, to extend through June 30, 2005.

Entergy Corporation, et al. (70–9123)

Entergy Corporation (''Entergy''), 639 Loyola Avenue, New Orleans, Louisiana 70113, a registered holding company; Entergy's wholly owned subsidiaries Entergy Enterprises, Inc. (''Enterprises''), Entergy Global Power Operations Corporation (''Global''), Entergy Power Operations U.S., Inc. (''Power US''), all located at 20 Greenway Plaza, Houston, Texas 77046; Entergy Nuclear, Inc. (''Nuclear''), 1340 Echelon Parkway, Jackson, Mississippi 39213, Entergy Operations Services, Inc. (''Operations''), and Entergy Power, Inc., 110 James Parkway West, St. Rose, Louisiana 70087 (''Power'' and combined ''Applicants'') have filed an application-declaration under sections 6(a), 7, 9(a), 10, 12(b), 12(c), and 13(b) of the Act and rules 54, 90, and 91 under the Act.

By order dated June 22, 1999 (''June Order''),[1] the Commission granted authority: (1) For Entergy to acquire, directly or indirectly, the securities of one or more companies (''New Subsidiaries'') organized for purposes of performing development activities and/or for purposes of acquiring, including financing or refinancing an acquisition, owning and holding the securities of: (a) ''exempt wholesale generators'' (''EWGs''), as defined in section 32(a) of the Act, (b) ''foreign utility companies'' (''FUCOs''), as defined in section 33(a) of the Act, (c) ''exempt telecommunications companies'' (''ETCs''), as defined in section 34(a) of the Act, (d) other subsidiary companies that are authorized or permitted by rule, regulation or order of the Commission under the Act to engage in other businesses (''Authorized Subsidiary Companies''),[2] (e) other New Subsidiaries and/or, (f) ''energy related companies'', as defined in rule 58 under the Act (''Rule 58 Companies''); (2) for Entergy to acquire, directly or indirectly, the securities of one or more operating and management companies (''O&M Subs'') organized for the purpose of providing operations and maintenance services (''O&M Services'') to nonassociate companies and associate nonutility companies (collectively, with the companies described in (1) above, ''Nonutility Companies''); (3) for Nonutility Companies to issue and sell securities to Entergy, to other Nonutility Companies and/or to nonassociate companies for the purpose of financing or refinancing investments in Nonutility Companies; (4) for Nonutility Companies to provide services at other than cost under specific circumstances; (5) for Nonutility Companies to pay dividends out of unearned surplus; and (6) for Entergy to consolidate or reorganize Entergy's ownership interests in one or more Nonutility Companies.

Applicants now request an extension of authority for the activities listed in (1) through (6) above, through December 31, 2005 (''Authorization Period''). In addition, Entergy requests a new authorization to make initial investments, directly or indirectly, in the New Subsidiaries or O&M Subsidiaries of up to an aggregate amount of $750 million (''Investment Limit'') through the Authorization Period.

I. Acquisitions and Related Financings of New Subsidiaries and O&M Subs

Applicants propose to acquire, directly or indirectly, the securities of one or more New Subsidiaries. New Subsidiaries will be organized in order to: (1) Engage in service and development activities and/or (2)

[1] *See* HCAR No. 27039 (June 22, 1999).

[2] Authorized Subsidiary Companies currently consist of: Enterprises; Power; Entergy Nuclear, Inc.; Entergy Nuclear Operations, Inc.; Entergy Operations Services, Inc.; Global; Power U.S., Entergy Nuclear Fuels Company; Entergy Shaw, LLC; EN Services, LP; and Gulf South Pipeline, LP.

acquire and/or finance the acquisition of the securities of one or more Nonutility Companies. Applicants also propose that Entergy organize and acquire the capital stock of O&M Subs through December 31, 2005. O&M Subs will be formed as domestic or foreign corporations, partnerships or other entities.

Applicants request authority for Entergy to make investments in New Subsidiaries and O&M Subsidiaries by any combination of: (1) Purchases of equity interests (''Equity Capital''); [3] (2) capital contributions; (3) open account advances without interest and (4) loans and guarantees of securities or other obligations of New Subsidiaries and O&M Subs. Applicants state that Entergy will obtain funds for these investments from proceeds of previously authorized borrowings, sales of its common stock, future authorized securities issuances and other available cash resources. Applicants commit that the initial investments in the Equity Capital of New Subsidiaries and O&M Subs will be included in the Investment Limit.

Applicants state that loans by Entergy or a Nonutility Company to a Nonutility Company generally will have interest rates and maturity dates designed to parallel Entergy's effective cost of capital. Loans by Entergy or a Nonutility Company to a Nonutility Company that is partially owned by Entergy, directly or indirectly, however, may have interest rates and maturity dates designed to provide a return to the holding company of not less than its effective cost of capital (''Other Loans''). The principal amount of Other Loans by Entergy or a Nonutility Company to a Nonutility Company (including New Subsidiaries and O&M Subs) will be included in the Investment Limit. Applicants state that a Nonutility Company to which Other Loans are made will not provide any services to a Nonutility Company that does not meet one of the conditions for the rendering of services on a basis other than cost, as described below.

Applicants assert that there are a number of legal and business reasons for the use of special purpose subsidiaries such as the New Subsidiaries in connection with investments in Nonutility Companies. For example, the formation and acquisition of special purpose subsidiaries is often necessary or desirable to facilitate the acquisition and ownership of a FUCO, an EWG or another Nonutility Company. Furthermore, the laws of some foreign countries may require that the bidder in a privatization program be a domestic company in that country. In these cases, Applicants state that it would be necessary for Entergy to form a foreign subsidiary as the entity submitting the bid or other proposal. In addition, the interposition of one or more New Subsidiaries may allow Entergy to defer the repatriation of foreign source income, take full advantage of favorable tax treaties among foreign countries, or otherwise to secure favorable U.S. income tax treatment that would not otherwise be available. Applicants state that New Subsidiaries also serve to isolate business risks, facilitate subsequent adjustments or sales to ownership interests by the members of an ownership group, or to raise debt or equity capital in domestic or foreign markets.

Applicants state that, to the extent that Entergy provides funds to a New Subsidiary that are used for the purposes of investing in an EWG or FUCO, the amount of the investment will be included in Entergy's ''aggregate investment'' in these entities, as calculated in accordance with rule 53. Additionally, Applicants assert that, to the extent that Entergy provides funds to a New Subsidiary which are used to invest in a Rule 58 Company, the amount of the investment will be included in Entergy's ''aggregate investment'' as defined under rule 58.

II. Issuance of Securities

Applicants also requests authorization for Nonutility Companies to issue and/or sell equity or debt securities in an aggregate amount up to the Investment Limit, including common stock, LLC member interests, partnership and limited partnership interests, preferred stock or other preferred or equity-linked securities (collectively, ''preferred securities''), short-term debt securities, such as promissory notes or commercial paper, and long-term debt securities (collectively, ''Other Securities'') to Entergy, to other Nonutility Companies or to nonassociate companies, including banks, insurance companies, and other financial institutions during the Authorization Period.

Other Securities will be subject to the following financing parameters:

(1) The effective cost of money on long-term debt borrowings will not exceed the greater of (i) 500 basis points over the comparable-term U.S. Treasury securities or (ii) a gross spread over U.S. Treasuries that is consistent with similar securities of comparable credit quality and maturities issued by other companies.

(2) The effective cost of money on short-term debt borrowings will not exceed the greater of (i) 500 basis points over the comparable-term London Interbank Offered Rate (''LIBOR'') or (ii) a gross spread over LIBOR that is consistent with similar securities of comparable credit quality and maturities issued by other companies.

(3) The dividend rate on any series of preferred securities will not exceed the greater of (i) 500 basis points over the yield to maturity of a U.S. Treasury security having a remaining term equal to the term of the series of preferred securities or (ii) a rate that is consistent with similar securities of comparable credit quality and maturities issued by other companies.

Also, in the case of the issuance of any Other Securities that involve loans by Entergy or a Nonutility Company to a Nonutility Company at interest rates and maturities designed to provide a return to the lending company in excess of its effective cost of capital, the borrowing Nonutility Company will not provide any services to any associate Nonutility Company except a company which meets one of the conditions for the rendering of services on a basis other than ''at cost'', as described below.[4]

Applicants state that the net proceeds from the issuance and sale of Other Securities would be used for general corporate purposes, for example: (1) For loans to and/or equity investments in Nonutility Companies; (2) for the repayment, refinancing or redemption of outstanding securities of Entergy or Nonutility Companies originally issued for purposes of acquiring interests in Nonutility Companies or providing funds for the authorized or permitted business activities of Nonutility Companies and (3) for working capital or other cash requirements of Nonutility Companies, provided that the net proceeds will only be applied to finance activities that are exempt under the Act or are otherwise authorized or permitted by rule, regulation or order of the Commission. Applicants state that at the time of issuance of any Other Securities that are recourse to Entergy, directly or indirectly, the proceeds of which are to be used to invest in any Exempt Project,

[3] Equity Capital may include purchases of capital shares, partnership interests, member interests in limited liability companies, trust certificates or other forms of equity interests.

[4] Applicants request that Non-utility Companies be permitted to modify the terms of their charters or other governing documents (''Charter Amendments'') as necessary to effectuate the issuance of Other Securities. Entergy would describe the general terms of any Charter Amendment in the next quarterly certificate filed with the Commission pursuant to rule 24 in this file.

the amount will be counted towards Entergy's ''aggregate investment'' in EWGs and FUCOs as required under rule 53.

Entergy represents that none of Entergy's operating companies (''Operating Companies'')[5] will incur any indebtedness, extend any credit, or sell or pledge its assets, directly or indirectly, to or for the benefit of any Nonutility Company, and that any Other Securities that may be issued by a Nonutility Company, and any guarantees that may be issued by Entergy or a Nonutility Company, will not be recourse to any Operating Company.

III. Provision of O&M Services and Other Services

Applicants propose that Entergy provide O&M Services, through one or more O&M Subs. O&M Services would be provided to, or for the benefit of, associate and nonassociate developers, owners and operators of domestic and foreign power projects and other electric utility systems or facilities. O&M Services may be provided to projects that Entergy may develop on its own, through an associate Nonutility Company, or in collaboration with third parties.

O&M Services would include, for example, development, engineering, design, construction and construction management, pre-operational start-up, testing and commissioning, long-term operations and maintenance, fuel procurement, management and supervision, technical and training, administrative support, market analysis, consulting, coordination and any other managerial, technical, administrative or consulting required in connection with the business of owning or operating facilities used for the generation, transmission or distribution of electric energy (including related facilities for the production, conversion, sale or distribution of thermal energy) or coordinating their operations in the power market. Applicants also propose that an O&M Sub may also lease all or a portion of the facilities with respect to which it is providing O&M Services. However, Applicants state that an O&M Sub would not undertake to enter into leases without further approval of the Commission if, as a result thereof, the O&M Sub would become a ''public utility company'' as defined in the Act.

Applicants request authorization for Nonutility Companies (i) to provide other Nonutility Companies with administrative services (''Administrative Services''); (ii) to provide consulting services (''Consulting Services'') to other Nonutility Companies and to nonassociate companies and (iii) to engage in development activities (''Development Activities''), all on a worldwide basis. These services are referred to collectively as ''Other Services.''

Applicants state that Administrative Services would include, for example, corporate and project development and planning, management, administrative, employment, tax, legal, accounting, engineering, consulting, marketing, utility performance and electric data processing services, and intellectual property development, marketing and other support services.

Applicants state that Consulting Services would include, for example, providing Entergy system technical capabilities and expertise primarily in the areas of electric power generation, transmission and distribution and ancillary operations. Applicants represent that, except for consulting required in connection with the performance of O&M Services, O&M Subs will not provide Consulting Services to associate or nonassociate companies.

Applicants state that Development Activities would include, for example, investigating sites, research, engineering and licensing activities, acquiring options and rights, contract drafting and negotiation, legal, accounting and financial analysis, preparing and submitting bids and proposals, and other activities necessary to identify and analyze investment opportunities on behalf of companies in the Entergy system.[6]

Applicants request an exemption from the at-cost requirements of rules 90 and 91 for O&M Services rendered to Nonutility Companies, if one or more of the following conditions applies:

(i) The Nonutility Company is a FUCO or an EWG that derives no part of its income, directly or indirectly, from the generation and sale of electric energy within the United States;

(ii) The Nonutility Company is an EWG that sells electricity at market-based rates that have been approved by the FERC or the relevant state public utility commission, provided that the purchaser is not a Regulated Utility;

(iii) The Nonutility Company is a ''qualifying facility'' (''QF'') under the Public Utility Regulatory Policies Act of 1978, as amended (''PURPA''), that sells electricity exclusively at rates negotiated at arm's length to one or more industrial or commercial customers purchasing the electricity for their own use and not for resale, or to a electric utility company (other than a Regulated Utility) at the purchaser's ''avoided costs'' as determined under the regulations under PURPA and

(iv) The Nonutility Company is an EWG or QF that sells electricity at rates based upon its cost of service, as approved by the FERC or any state public utility commission having jurisdiction, provided that the purchaser of the electricity is not a regulated utility.

The Nonutility Companies described in clauses (i)–(iv) are referred to collectively below as ''Exempt Nonutility Companies.''

Applicants state that Other Services would generally be performed by Nonutility Companies for associate Nonutility Companies at cost. However, Applicants request an exemption from the at cost requirements of rules 90 and 91 for Other Services rendered to Exempt Nonutility Companies and to partially owned Nonutility Companies, provided that the ultimate purchaser of the Other Services is not an Operating Company, System Energy Resources, Inc., System Fuels, Inc., Entergy Services, Inc., Entergy Operations, Inc. or any other subsidiary that Entergy may create, the activities and operations of which are primarily related to the domestic sale of electric energy at retail (exclusive of Nonutility Companies) or at wholesale, or the provision of goods or services to Entergy's affiliates. In addition, Entergy requests that the exemption apply to Other Services provided by Nonutility Companies to any Nonutility Company (a) that is engaged solely in the business of developing, owning, operating and/or providing Other Services to Exempt Nonutility Companies, or (b) that does not derive, directly or indirectly, any material part of its income from sources within the United States and is not a public utility company operating within the United States.

IV. Reorganization

Entergy intends, from time to time, to consolidate or reorganize all or any part of its ownership interests in certain Nonutility Companies and/or New Subsidiaries under one or more New Subsidiaries. For example, to effect a reorganization, Entergy could directly or indirectly contribute to a New Subsidiary all of the outstanding Equity Capital of one or more Nonutility

[5] Entergy's regulated public utility companies Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, Inc., Entergy Mississippi, Inc. and Entergy New Orleans, Inc. are referred to as the ''Operating Companies.''

[6] Applicants state that Development Activities would not be performed on behalf of any of Entergy's regulated utilities.

Companies (including a New Subsidiary) or sell the Equity Capital of one or more Nonutility Companies to a New Subsidiary. Alternatively, a Nonutility Company could distribute, as a dividend, the securities of one or more Nonutility Companies to a New Subsidiary.

Applicants request authority for Entergy to consolidate or otherwise reorganize its ownership interest in one or more Nonutility Companies under the New Subsidiaries so long as the acquisition of the securities of the Nonutility Company is authorized by the Commission or is exempt from the Act.

V. Payment of Dividends Out of Capital or Unearned Surplus by Nonutility Companies

Applicants request authority for a Nonutility Company to declare and pay dividends out of capital or unearned surplus to its immediate parent companies through December 31, 2005, subject to applicable corporate law and any applicable financing agreement that restricts distributions to shareholders.

FirstEnergy Corp., et al. (70–10079)

FirstEnergy Corporation (''FirstEnergy''), a registered holding company, Ohio Edison Company (''Ohio Edison''), a public-utility company subsidiary of First Energy and exempt holding company under section 3(a)(2) of the Act,[7] The Cleveland Electric Illuminating Company, a public-utility company subsidiary of First Energy, The Toledo Edison Company, a public-utility company subsidiary of First Energy, American Transmission Systems, Incorporated, a public-utility company subsidiary of First Energy, all at 76 South Main Street, Akron, Ohio 44308, Pennsylvania Power Company, 1 E. Washington Street, P.O. Box 891, New Castle, Pennsylvania 16103, a public-utility company subsidiary of Ohio Edison, Metropolitan Edison Company, 2800 Pottsville Pike, Reading, Pennsylvania 19640–0001, a public-utility company subsidiary of First Energy, Pennsylvania Electric Company, 1001 Broad Street, Johnstown, Pennsylvania 15907, a public-utility company subsidiary of First Energy, and Jersey Central Power & Light Company (collectively, ''Applicants''), Madison Avenue at Punchbowl Road, Morristown, New Jersey 07060–9871, a public-utility company subsidiary of First Energy, have filed an application under section 9(c)(3) of the Act.

[7] *See Ohio Edison,* HCAR No. 21019 (April 26, 1979).

By order dated October 29, 2001 (HCAR No. 27459), the Commission authorized FirstEnergy, which at the time was a holding company that claimed exemption from registration by rule 2, to merge with GPU, Inc., a registered holding company. In that order, the Commission also authorized FirstEnergy to retain its investments in low-income housing properties that qualified for Low Income Housing Tax Credits (''LITC Projects'') under section 42 of the Internal Revenue Code (''IRC''). As of December 31, 2001, FirstEnergy held, directly or indirectly, approximately $102 million of these types of passive investments.

Applicants request authority to invest, through December 31, 2005, up to $100 million in: (1) New or existing LIHTC Projects located anywhere in the United States; and (2) historic building or other qualified rehabilitated building projects (''Section 47 Projects'') located within their service territories. By investing in Section 47 Projects, Applicants would earn tax credits under section 47 of the IRC and, according to Applicants, FirstEnergy may also qualify for tax credits under state law.

Applicants would not take any active role in the development, management, or operation of any LIHTC Projects or Section 47 Projects (collectively, ''Tax Credit Projects''), and would not acquire any interest in any venture holding a Tax Credit Project if that venture would consequently become an ''affiliate'' of First Energy. Tax Credit Projects would be organized as limited liability partnerships or limited liability companies, and Applicants would invest only as a limited partner or non-managing member, respectively. In general, a separate limited partnership or manager-managed LLC would be established for each new qualifying Tax Credit Project. This structure would: (1) Allow each Tax Credit Project to be financed on a stand-alone basis, under the control of an unaffiliated third party; (2) insulate each investment property from any liabilities that may arise in connection with the development or management of any other Tax Credit Project; and (3) facilitate compliance with the requirements of sections 42 and 47 of the IRC Code.

Applicants commit to dispose of their ownership interests in each Tax Credit Project upon becoming fully vested in the tax credits, including any state credits.

Georgia Power Company (70–10080)

Georgia Power Company (''Georgia ''), 241 Ralph McGill Boulevard, NE., Atlanta, Georgia 30308, a public-utility subsidiary company of The Southern Company (''Southern''), a registered holding company, has filed a declaration under sections 6(a) and 7 of the Act and rule 54 under the Act.

Georgia proposes to issue and sell, from time-to-time, through March 31, 2006 (the ''Authorization Period'') up to an aggregate principal amount at any one time outstanding up to $3.2 billion of the following: (1) Short-term notes to lenders; (2) commercial paper to or through dealers; and/or (3) issue non-negotiable promissory notes to public entities for their revenue anticipation notes.

Georgia proposes to borrow from certain banks or other lending institutions through the Authorization Period. The institutional borrowings will be evidenced by notes to be dated as of the date of such borrowings and to mature in not more than one year after the date of issue, or by ''grid'' notes evidencing all outstanding borrowings from each lender to be dated as of the date of the initial borrowing and to mature not more than one year after the date of issue. Georgia proposes that it may provide that any note evidencing such borrowings may not be prepayable, or that it may be prepaid with payment of a premium that is not in excess of the stated interest rate on the borrowing to be prepaid.

Borrowings will be at the lender's prevailing rate offered to corporate borrowers of similar quality. Such rates will not exceed the prime rate or (i) LIBOR plus up to 3% or (ii) a rate not to exceed the prime rate to be established by bids obtained from the lenders prior to a proposed borrowing. Compensation for the credit facilities may be provided by fees of up to 1% per annum of the amount of the facility. Compensating balances may be used in lieu of fees to compensate certain of the lenders.

Georgia also proposes to issue and sell commercial paper to or through dealers from time to time through the Authorization Period. Such commercial paper would be in the form of promissory notes with varying maturities not to exceed 390 days. Georgia states that the actual maturities would be determined by market conditions, the effective interest costs of issuing such commercial paper, and Georgia's anticipated cash flow, including the proceeds of other borrowings, at the time of issuance. The commercial paper notes will be issued in denominations of not less than $50,000 and will be sold by Georgia directly to or through dealer. The discount rate (or the interest rate in the case of interest-bearing notes), including any commissions, will not be in excess

of the discount rate per annum (or equivalent interest rate) prevailing at the date of issuance for commercial paper of comparable quality of the particular maturity sold by issuers to commercial paper dealers.

Georgia also proposes, through the Authorization Period, to effect short-term borrowings in connection with the financing of certain pollution control facilities through the issuance by public entities of their revenue bond anticipation notes. Under an agreement with each such public entity, the entity would effectively loan to Georgia the proceeds of the sale of such revenue bond anticipation notes, having a maturity of not more than one year after date of issue, and Georgia in turn would issue Georgia's non-negotiable promissory note. Such note would provide for payments to be made at times and in amounts which shall correspond to the payments with respect to the principal of, premium, if any, and interest, which shall not exceed the prime rate, on such revenue bond anticipation notes, whenever and in whatever manner the same shall become due, whether at stated maturity, upon redemption or declaration or otherwise.

By order dated March 13, 1996 (HCAR No. 26490) (''1996 Order''), the Commission authorized Georgia to effect short-term debt borrowings prior to January 1, 2003. By order dated November 8, 2000 (HCAR No. 27273) (''2000 Order'') (and together with the 1996 Order, the ''Financing Orders''), the Commission authorized Georgia to effect any such short-term borrowings through Southern's consolidated commercial paper program prior to June 30, 2004. According to the Financing Orders, any borrowings under the Financing Orders must be aggregated and may not exceed $1.7 billion. Georgia states that at August 14, 2002, borrowings in an aggregate principal amount of approximately $531,800,000 were outstanding under the Financing Orders.

The proceeds from the proposed borrowings will be used by Georgia for working capital purposes, including the financing in part of its construction program. None of the proceeds from any borrowing or from the sale of any of the notes will be used by Georgia, directly or indirectly, for the acquisition of any interest in an ''exempt wholesale generator'' or a ''foreign utility company,'' as those terms are defined in sections 32 and 33 of the Act, respectively. Georgia further states that, except as may be otherwise authorized by the Commission, any short-term borrowings of Georgia outstanding after March 31, 2006 will be retired from internal cash resources, the proceeds of equity financings or the proceeds of long-term debt.

Savannah Electric Power Company (70–10081)

Savannah Electric Power Company (''Savannah''), 600 East Bay Street, Savannah, Georgia 31401, a public-utility subsidiary company of The Southern Company (''Southern''), a registered holding company, has filed a declaration under sections 6(a) and 7 of the Act and rule 54 under the Act.

Savannah proposes to issue and sell, from time-to-time, through March 31, 2006 (the ''Authorization Period'') up to an aggregate principal amount at any one time outstanding up to $120 million of the following: (1) Short-term notes to lenders; (2) commercial paper to or through dealers; and/or (3) issue non-negotiable promissory notes to public entities for their revenue anticipation notes.

Savannah proposes to borrow from certain banks or other lending institutions through the Authorization Period. The institutional borrowings will be evidenced by notes to be dated as of the date of such borrowings and to mature in not more than one year after the date of issue, or by ''grid'' notes evidencing all outstanding borrowings from each lender to be dated as of the date of the initial borrowing and to mature not more than one year after the date of issue. Savannah proposes that any note evidencing such borrowings may not be prepayable, or that it may be prepaid with payment of a premium that is not in excess of the stated interest rate on the borrowing to be prepaid.

Borrowings will be at the lender's prevailing rate offered to corporate borrowers of similar quality. The rates will not exceed the prime rate or (i) LIBOR plus up to 3% or (ii) a rate not to exceed the prime rate to be established by bids obtained from the lenders prior to a proposed borrowing. Compensation for the credit facilities may be provided by fees of up to 1% per annum of the amount of the facility. Compensating balances may be used in lieu of fees to compensate certain lenders.

Savannah also proposes to issue and sell commercial paper to or through dealers from time-to-time through the Authorization Period. The commercial paper would be in the form of promissory notes with varying maturities not to exceed 390 days. Actual maturities would be determined by market conditions, the effective interest costs of issuing such commercial paper, and Savannah's anticipated cash flow, including the proceeds of other borrowings, at the time of issuance. The commercial paper notes will be issued in denominations of not less than $50,000 and will be sold by Savannah directly to or through the dealer. The discount rate (or the rate in the case of interest-bearing notes), including any commissions, will not be in excess of the discount rate per annum (or equivalent interest rate) prevailing at the date of issuance for commercial paper of comparable quality of the particular maturity sold by issuers to commercial paper dealers.

Savannah also proposes, through the Authorization Period, to effect short-term borrowings in connection with the financing of certain pollution control facilities through the issuance by public entities of their revenue bond anticipation notes. Under an agreement with each public entity, the entity would effectively loan to Savannah the proceeds of the sale of such revenue bond anticipation notes, having a maturity of not more than one year after date of issue, and Savannah in turn would issue Savannah's non-negotiable promissory note. The note would provide for payments thereon to be made at times and in amounts which shall correspond to the payments with respect to the principal of, premium, if any, and interest, which shall not exceed the prime rate, on such revenue bond anticipation notes, whenever and in whatever manner the same shall become due, whether at stated maturity, upon redemption or declaration or otherwise.

By order dated March 13, 1996 (HCAR No. 26492) (''1996 Order''), the Commission authorized Savannah to effect short-term debt borrowings prior to January 1, 2003. By order dated November 8, 2000 (HCAR No. 27273) (''2000 Order'') (and together with the 1996 Order, the ''Financing Orders''), the Commission authorized Savannah to effect any such short-term borrowings through Southern's consolidated commercial paper program prior to June 30, 2004. According to the Financing Orders, any borrowings under the Financing Orders must be aggregated and may not exceed $90 million. At August 14, 2002, borrowings in an aggregate principal amount of approximately $29,400,000 were outstanding under the Financing Orders.

The proceeds from the proposed borrowings will be used by Savannah for working capital purposes, including the financing in part of its construction program. None of the proceeds from any borrowing or from the sale of any of the notes will be used by Savannah, directly

or indirectly, for the acquisition of any interest in an ''exempt wholesale generator'' or a ''foreign utility company,'' as those terms are defined in sections 32 and 33, respectively. Savannah further states that, except as may be otherwise authorized by the Commission, any short-term borrowings of Savannah outstanding after March 31, 2006 will be retired from internal cash resources, the proceeds of equity financings or the proceeds of long-term debt.

Mississippi Power Company (70–10082)

Mississippi Power Company (''Mississippi''), 2992 West Beach, Gulfport, Mississippi 39501, an public-utility subsidiary company of The Southern Company, a registered holding company, has filed a declaration under sections 6(a) and 7 of the Act and rule 54 under the Act.

Mississippi proposes to issue and sell, from time-to-time, through March 31, 2006 (the ''Authorization Period'') up to an aggregate principal amount at any one time outstanding up to $500 million of the following: (1) Short-term and/or term-loan notes to lenders; (2) commercial paper to or through dealers; and/or (3) issue non-negotiable promissory notes to public entities for their revenue anticipation notes.

Mississippi proposes to borrow from certain banks or other lending institutions. The institutional borrowings will be evidenced by notes to be dated as of the date of such borrowings and to mature in not more than seven years after the date of issue, or by ''grid'' notes evidencing all outstanding borrowings from each lender to be dated as of the date of the initial borrowing and to mature not more than seven years after the date of issue. Mississippi proposes that any note evidencing such borrowings may not be prepayable, or that it may be prepaid with payment of a premium that is not in excess of the stated interest rate on the borrowing to be prepaid.

Borrowings will be at the lender's prevailing rate offered to corporate borrowers of similar quality. Such rates will not exceed the lenders prime rate or (i) LIBOR plus up to 3% or (ii) a rate not to exceed the prime rate to be established by bids obtained from the lenders prior to a proposed borrowing. Compensation for the credit facilities may be provided by fees of up to 1% per annum of the amount of the facility. Compensating balances may be used in lieu of fees to compensate certain of the lenders.

Mississippi also proposes to issue and sell commercial paper to or through dealers from time-to-time through the Authorization Period. Such commercial paper would be in the form of promissory notes with varying maturities not to exceed 390 days. Actual maturities would be determined by market conditions, the effective interest costs of issuing such commercial paper, and Mississippi's anticipated cash flow, including the proceeds of other borrowings, at the time of issuance. The commercial paper notes will be issued in denominations of not less than $50,000 and will be sold by Mississippi directly to or through the dealer. The discount rate (or the rate in the case of interest-bearing notes), including any commissions, will not be in excess of the discount rate per annum (or equivalent interest rate) prevailing at the date of issuance for commercial paper of comparable quality of the particular maturity sold by issuers to commercial paper dealers.

Mississippi also proposes, through the Authorization Period, to effect short-term borrowings in connection with the financing of certain pollution control facilities through the issuance by public entities of their revenue bond anticipation notes. Under an agreement with each such public entity, the entity would effectively loan to Mississippi the proceeds of the sale of such revenue bond anticipation notes, having a maturity of not more than one year after date of issue, and Mississippi in turn would issue Mississippi's non-negotiable promissory note. The note would provide for payments thereon to be made at times and in amounts which shall correspond to the payments with respect to the principal of, premium, if any, and interest, which shall not exceed the prime rate, on such revenue bond anticipation notes, whenever and in whatever manner the same shall become due, whether at stated maturity, upon redemption or declaration or otherwise.

By order dated March 13, 1996 (HCAR No. 26491) (''1996 Order''), the Commission authorized Mississippi to effect short-term borrowings prior to January 1, 2003. By order dated November 8, 2000 (HCAR No. 27273) (''2000 Order'') (and together with the 1996 Order, the ''Financing Orders''), the Commission authorized Mississippi to effect any such short-term borrowings through a Southern consolidated commercial paper program prior to June 30, 2004. According to the Financing Orders, any borrowings under the Financing Orders must be aggregated and may not exceed $350 million. At August 14, 2002, borrowings in an aggregate principal amount of approximately $14,900,000 were outstanding under the Financing Orders.

The proceeds from the proposed borrowings will be used by Mississippi for working capital purposes, including the financing in part of its construction program. None of the proceeds from any borrowing or from the sale of any of the notes will be used by Mississippi, directly or indirectly, for the acquisition of any interest in an ''exempt wholesale generator'' or a ''foreign utility company,'' as those terms are defined in sections 32 and 33 of the Act, respectively. Mississippi further states that, except as may be otherwise authorized by the Commission, any short-term or long-term borrowings of Mississippi outstanding after March 31, 2006 and March 31, 2013, respectively, will be retired from internal cash resources, the proceeds of equity financings or the proceeds of short-term or long-term debt.

Entergy Louisiana, Inc. (70–10086)

Entergy Louisiana, Inc. (''Entergy Louisiana''), 639 Loyola Avenue, New Orleans, Louisiana 70113, a direct, wholly owned public-utility subsidiary company of Entergy Corporation (''Entergy''), a registered holding company, has filed an application-declaration under sections 6(a), 7, 9(a), 10, 12(c), and 12(d) of the Act and rules 42, 44, and 46 under the Act.

I. Current Financing Authority

By order dated March 12, 1998 (HCAR No. 26839, ''Prior Order''), the Commission authorized Entergy Louisiana to engage in a program of external financing and related transactions through December 31, 2002. Specifically, the Commission authorized Entergy Louisiana to: (1) Issue and sell up to a combined aggregate principal amount of $600 million of first mortgage bonds and/or debentures, with maturities not later than forty years and fifty years, respectively; (2) issue and sell up to a combined aggregate principal amount of $260 million of preferred stock and equity-linked securities; and (3) enter into arrangements for the issuance and sale of tax-exempt bonds in an aggregate principal amount of up to $420 million for the financing of pollution control facilities and sewage and/or solid waste disposal facilities, including the issuance and pledge of first mortgage bonds issued as collateral security for such tax-exempt bonds in an aggregate principal amount of up to $455 million (in addition to the $600 million referenced above).

II. Requested Authority

Entergy Louisiana requests authority, through March 31, 2006 (''Authorization Period''), to issue and sell up to an aggregate amount of $750 million (''Aggregate Limit'') in any combination of: (1) Unsecured long-term indebtedness (''Long-Term Debt''); (2) first mortgage bonds (''First Mortgage Bonds''); (3) preferred stock (''Preferred Stock''); and (4) other forms of preferred or equity-linked securities (''Other Securities''). The terms of the proposed securities are described below. Generally, the proceeds from sales of the proposed securities will be used by Entergy Louisiana for its general corporate purposes, including: financing its capital expenditures; repaying, redeeming, refunding or purchasing any of its securities issued in reliance on rule 42 and/or those securities issued on Entergy Louisiana's behalf under section 9(c)(1); and financing its working capital requirements.

Long-Term Debt may be convertible into any other securities of Entergy Louisiana (except common stock), and would have a maturity ranging between one and fifty years. These securities may be subject to optional and/or mandatory redemption, in whole or in part, at par or at premiums above the principal amount. Long-Term Debt may be entitled to mandatory or optional sinking fund provisions, and may provide for reset of the coupon under to a remarketing arrangement. Additionally, Long-Term Debt may be issued at fixed or floating rates of interest, and may be called from existing investors by a third party. The maturity dates, interest rates, redemption and sinking fund provisions and conversion features, if any, of Long-Term Debt, as well as any associated placement, underwriting or selling agent fees, commissions, and discounts, if any, would be established by negotiation or competitive bidding. The interest rate on Long-Term Debt would not exceed, at the time of issuance, the greater of: (1) 500 basis points over U.S. Treasury securities having a remaining term comparable to the term of such series, if issued at a fixed rate or, if issued at a floating rate, 500 basis points over the London Interbank Offered Rate (''LIBOR'') for the relevant interest rate period; and (2) a spread over U.S. Treasury securities or LIBOR, as the case may be, that is consistent with similar securities of comparable credit quality and maturities.

All First Mortgage Bonds will have maturities ranging between one and fifty years. First Mortgage Bonds may be subject to optional and/or mandatory redemption, in whole or in part, at par or at premiums above the principal amount. They may be entitled to mandatory or optional sinking fund provisions and may be issued at fixed or floating rates of interest. First Mortgage Bonds may provide for reset of the coupon in accordance with a remarketing arrangement and may be called from existing investors by a third party. Additionally, they may be backed by a bond insurance policy. The interest rate on First Mortgage Bonds will not exceed at the time of issuance the greater of: (1) 500 basis points over U.S. Treasury securities having a remaining term comparable to the term of such series if issued at a fixed rate or, if issued at a floating rate, 500 basis points over LIBOR for the relevant interest rate period; and (2) a spread over U.S. Treasury securities or LIBOR, as the case may be, that is consistent with similar securities of comparable credit quality and maturities issued by other companies.

Entergy Louisiana may issue and sell series of Preferred Stock to underwriters for deposit, which would subsequently be delivered to purchasers in a public offering. Preferred Stock and Other Securities may be issued in one or more series with rights, preferences and priorities, including those related to redemption, designated in the instrument creating the series. Preferred Stock or Other Securities may be redeemable, or may be perpetual in duration. The dividend rate on any series of Preferred Stock or Other Securities would not exceed at the time of issuance the greater of: (1) 500 basis points over the yield to maturity of a U.S. Treasury security having a remaining term comparable to the term of such series, if issued at a fixed rate or, if issued at a floating rate, 500 basis points over LIBOR for the relevant interest rate period; and (2) a rate that is consistent with similar securities of comparable credit quality and maturities. Dividends or distributions on Preferred Stock or Other Securities may be made subject to terms that allow the issuer to defer dividend payments for specified periods.

Entergy Louisiana requests authority to acquire during the Authorization Period all of the outstanding ownership interests of special purpose subsidiaries (''SPEs''), through which Entergy Louisiana would issue and sell Other Securities. Entergy Louisiana would hold the ownership interests of an SPE directly or indirectly. SPEs may be organized in any of the following corporate forms: A limited liability company; a limited partnership; a business trust; or any other domestic entity or structure considered advantageous by Entergy Louisiana.

Entergy Louisiana also requests authority to: (1) Acquire financing subsidiaries (''Financing Subsidiaries''), which would hold Entergy Louisiana's ownership interests in SPEs and, as discussed below, facilitate the issuance of Other Securities; and (2) acquire directly, or through a Financing Subsidiary, all of the ownership interests of one or more special purpose subsidiaries organized to hold certain types of ownership interests in SPEs (''Partner Subs''). Partner Subs would be created to hold: (1) Membership interests of an SPE where applicable State law requires that a limited liability company have at least two members; and (2) general partnership and/or limited partnership interests in an SPE to ensure that an SPE has a limited partner as may be required under applicable State law.

Entergy Louisiana, a Financing Subsidiary, and/or a Partner Sub would acquire all of the ownership interests of an SPE for an amount not less than the minimum required by applicable law.[8] Entergy Louisiana requests authority to issue and sell Other Securities either directly or through SPEs. Entergy Louisiana would finance any indirect issuance of Other Securities by directly, or through a Financing Subsidiary, issuing and selling to an SPE unsecured subordinated debentures, unsecured promissory notes or other unsecured debt instruments (''Notes'') governed by an indenture or other document. In turn, that SPE would use the Equity Contribution and proceeds from its sale of Other Securities (collectively, ''Proceeds'') to purchase those Notes. Alternatively, Entergy Louisiana and/or a Financing Subsidiary would enter into a loan agreement or agreements with a SPE under which the SPE would loan to Entergy Louisiana and/or a Financing Subsidiary the Proceeds from time to time, and Entergy Louisiana and/or the Financing Subsidiary would issue to the SPE Notes in an amount equal to the Proceeds. The terms (*e.g.*, interest rate, maturity, amortization, prepayment terms, default provisions, etc.) of all Notes would generally be designed to parallel the terms of the Other Securities to which the Notes relate, and so the maximum principal amount of Notes issued would not exceed the Proceeds. Correspondingly, Entergy Louisiana requests authority to issue and sell Notes directly and indirectly through a

[8] The aggregate amount of this investment by Entergy Louisiana, a Financing Subsidiary, and/or a Partner Sub is referred to here as the ''Equity Contribution.''

Financing Subsidiary to the SPEs. Additionally, Entergy Louisiana requests authority for the Financing Subsidiaries and/or SPEs to transfer (directly or indirectly) the proceeds from sales of Other Securities to Entergy Louisiana, resulting in the payment of dividends out of capital to Entergy Louisiana.

Solely in connection with the issuance of Other Securities by a SPE, Entergy Louisiana and the Financing Subsidiaries also request authority to guarantee: (1) Payment of dividends or distributions on Other Securities by the SPE if and to the extent the SPE has funds legally available; (2) payments to the holders of such securities due upon liquidation of the SPE or redemption of the Other Securities of the SPE; and (3) certain additional amounts that may be payable in respect of such Other Securities. Entergy Louisiana also requests authority to provide credit support for any guaranty that is provided by a Financing Subsidiary.

Entergy Louisiana also requests authority through the Authorization Period to enter into arrangements (''Arrangements'') with one or more government authorities (each, ''Issuer'') to issue and sell on behalf of the company up to an aggregate amount of $420 million of tax exempt bonds (''Tax-Exempt Bonds'') under one or more trust indentures (collectively, ''Indentures'') between the Issuer(s) and one or more trustees.[9] Under the Arrangements, Entergy Louisiana would be obligated to make payments sufficient to provide for payment by the Issuer(s) of the principal or redemption price of, premium (if any) and interest on, and other amounts owing with respect to the Tax-Exempt Bonds, together with related expenses. Proceeds from the sale of the Tax-Exempt Bonds would be applied to financing, or refinancing existing tax-exempt bonds issued for the purpose of financing, certain Entergy Louisiana pollution control facilities and/or sewage or solid waste disposal facilities (''Facilities'').

Under the Arrangements, Entergy Louisiana may be required to issue and pledge first mortgage bonds (''Collateral Bonds'') as collateral for the Tax-Exempt Bonds. Correspondingly, Entergy Louisiana requests authority through the Authorization Period to issue and sell up to an aggregate amount of $470 million of Collateral Bonds.[10] Under the terms of the Facilities Agreement, the Issuer(s) may purchase from Entergy Louisiana the subject Facilities, and Entergy Louisiana would then repurchase the Facilities from the Issuer(s). Correspondingly, Entergy Louisiana requests authority through the Authorization to sell the Facilities, which are utility assets.

Each series of Tax-Exempt Bonds would have a maturity ranging from one to forty years. Additionally, Tax-Exempt Bonds may: (1) Be subject to optional and/or mandatory redemption at par or at premiums above the principal amount; (2) be subject to mandatory or optional sinking fund provisions; (3) provide for reset of the coupon in accordance with a remarketing arrangement; (4) be issued at fixed or floating rates of interest; (5) be called from existing investors by a third party; (6) be backed by a municipal bond insurance policy; (7) be supported by credit support such as a bank letter of credit and reimbursement agreement; and (8) may be supported by a subordinated lien on the facilities related to the Tax-Exempt Bonds. The maturity dates, interest rates, redemption and sinking fund provisions and conversion features, if any, with respect to Tax-exempt Bonds of a particular series, as well as any associated placement, underwriting or selling agent fees, commissions and discounts, if any, will be established by negotiation or competitive bidding. The interest rate on Tax-Exempt Bonds would not exceed at the time of issuance the greater of: (1) 400 basis points over U.S. Treasury securities having a remaining term comparable to the term of such series if issued at a fixed rate or, if issued at a floating rate, 400 basis points over LIBOR for the relevant interest rate period; and (2) a spread over U.S. Treasury securities or LIBOR, as the case may be, that is consistent with similar securities of comparable credit quality and maturities issued on behalf of companies.

Entergy Louisiana represents that it would not issue any of the proposed securities if, as a consequence of the issuance, the common equity component of the company's capital structure would comprise less than thirty percent of its total capitalization. Entergy Louisiana also represents that it would not publicly issue any senior secured indebtedness that is rated by any nationally recognized statistical rating organization (''nationally recognized statistical rating organization''), as that term is used in paragraphs (c)(2)(vi)(E), (F) and (H) of rule 15c3–1 under the Securities Exchange Act of 1934, unless the securities are rated at the investment grade level as established by at least one such nationally recognized statistical rating organization, except for: (1) New debt issued to refund or redeem existing debt that, if voluntarily refunded is at a lower effective after-tax cost of money, (b) debt issued to replace currently maturing debt; or (2) privately-placed debt.

American Electric Power Service Corporation (70–10092)

American Electric Power Service Corporation (''AEP Service''), a New York corporation, 1 Riverside Plaza, Columbus, Ohio 43215, and a wholly owned subsidiary of American Electric Power Company Inc., a New York corporation (''AEP'') and a registered holding company under the Act, has filed an application-declaration (''Application'') under sections 9(a), 10 and 11 of the Act and rule 54 under the Act.

AEP Service seeks an extension of the authority granted in previous orders to license and sell to nonassociate entities specialized computer programs and to provide support services to licensees and entities that have purchased this software. The authority is sought for the period through December 31, 2008 (''Authorization Period'').

By order dated August 10, 1990 (HCAR No. 35–25132), the Commission authorized Central and South West Services Inc., a Delaware corporation (''CSW Services'') to license and sell to nonassociate entities through December 31, 1992, specialized computer programs and to provide support services to licensees and entities that purchased the software. Support services included program enhancements and problem resolution. CSW Services was merged into AEP Service on December 31, 2000, as described below. By order dated December 18, 1992 (HCAR No. 35–25132), the Commission authorized CSW Services to license and sell to nonassociate entities through December 31, 1994, specialized computer programs and to provide support services to licensees and entities that purchased such software. These support services were to be sold to nonassociate entities for an amount not less than CSW Services' cost. By order dated December 28, 1994 (HCAR No. 35–26206), the Commission extended the term of the authority granted to CSW Services in the above described orders and granted CSW Services the authority through December 31, 1997, to make expenditures up to $1 million per calendar year and $250,000 per project

[9] Arrangements would consist of leases, subleases, installment sale agreements, or other agreements (collectively, ''Facilities Agreement'') or, alternatively, one or more refunding agreements (each, ''Refunding Agreement'')

[10] The proposed $470 million of Collateral Bonds is in addition to the Aggregate Limit.

to develop or change software for nonassociate entities, to market software, services, and reserve computer capacity and to add up to ten employees to support these activities. The order also authorized CSW Services to sell reserve computer capacity (in amounts up to 50% of its total capacity) and provide data management services to nonassociate entities, largely customers of its associate public utility companies. By order dated December 11, 1997 (HCAR No. 35–26795), the Commission extended the authorization granted in the previous order through December 31, 2002. By order dated June 14, 2000 (HCAR 35–27186), AEP was authorized to acquire by merger all of the outstanding common stock of Central and South West Corporation, a registered holding company and the parent of CSW Services. By that order, CSW Services was merged into AEP Service and the authority granted to CSW Services in HCAR No. 35–26206 was vested in AEP Service.

AEP Service is party to a Software Distribution and License Agreement with a corporation for the licensing and distribution and support for a software system and method for managing special or complex billing for larger utility customers or commodity/service providers. As the authority granted in HCAR No. 35–26206 expires December 31, 2002, AEP Service requests that the Commission authorize it to:

(1) License and sell to nonassociates through December 31, 2008, specialized computer programs;

(2) Provide support services to licensees and entities that purchase its software, including program enhancements and problem resolution;

(3) Make expenditures up to $1 million per calendar year and $250,000 per project to develop or change software, to market software and services;

(4) Sell reserve computer capacity (in amounts up to 50% of its total capacity); and

(5) Provide data management services to nonassociate entities.

Entergy Louisiana, Inc. (70–10098)

Entergy Louisiana, Inc. (''ELI''), 4809 Jefferson Highway, Jefferson, Louisiana 70121, a wholly owned electric public utility subsidiary of Entergy Corporation (''Entergy''), a registered holding company, has filed a declaration (''Declaration'') under section 12(c) of the Act and rules 42, 46, 53, and 54 under the Act.

ELI states that it maintains a purchased power contract (''Power Contract'') with Catalyst Old River Hydroelectric Limited Partnership. Under Internal Revenue Code Section 475, ELI was able to elect to take a mark-to-market tax deduction of approximately $2.316 billion in association with the Power Contract and in conjunction as part of the Entergy Corporation consolidated tax return for the tax year ending December 31, 2001. This election is expected to provide a cash flow benefit to ELI of approximately $700–$800 million during the fourth quarter of 2002. As of June 30, 2002, ELI had retained earnings of approximately $193 million. Subsequent to receipt of the cash flow benefit, but prior to December 31, 2003, ELI proposes to make one or more dividend payments to Entergy from capital surplus or to repurchase up to 46,000,000 shares of ELI's common stock from Entergy, provided that the aggregate of the dividends and common stock repurchases will not exceed $350 million (''Transaction Limit''). ELI states that it will pay book value for each share of common stock that it repurchases.[11]

ELI represents that, upon effecting any of the proposed dividend payments or common stock repurchase transactions, its common equity capital will not fall below thirty percent of its total consolidated capitalization. ELI further represents that its cash position after any payments or repurchase will be sufficient to allow it to continue to meet its projected capital requirements and other obligations.

ELI further states that certain supplemental indentures under ELI's April 1, 1944 Mortgage and Deed of Trust contain covenants (''Dividend Covenants'') generally limiting the aggregate amount of dividends/distributions on ELI's common stock and repurchases by ELI of its common stock to the sum of (a) the aggregate amount credited to earned surplus subsequent to the date of the applicable supplemental indenture, (b) a specific dollar amount set forth in the applicable supplemental indenture, and (c) ''such additional amounts as shall be authorized or approved, upon application by [ELI], by the Securities and Exchange Commission, or by any successor commission thereto, under the Public Utility Holding Company Act of 1935.'' ELI states that it anticipates that the aggregate amount of dividends or common stock purchases proposed in this Declaration will reduce the amount available to pay dividends under these Dividend Covenants by a like amount. Accordingly, ELI requests that the Commission specifically authorize or approve ''such additional amounts'' of dividends or common stock purchases as may be necessary to implement the dividends and stock repurchase activities up to the $350 million Transaction Limit for purposes of each applicable Dividend Covenant.

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

Jill M. Peterson,

Assistant Secretary.

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BILLING CODE 8010–01–U

[11] Applicant defines book value per share as $7.75 per share at June 30, 2002.

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–46839; File No. SR–OPRA–2002–03]

Options Price Reporting Authority; Notice of Filing of a Proposal To Revise the Required Form of Vendor Agreement Under Section VII(b) of the OPRA Plan

November 14, 2002.

Pursuant to Section 11A of the Securities Exchange Act of 1934 (''Act'') and Rule 11Aa3–2 under,[1] notice is hereby given that on July 12, 2002, the Options Price Reporting Authority (''OPRA''),[2] submitted to the Securities and Exchange Commission (''Commission'') an amendment to the Plan for Reporting of Consolidated Options Last Sale Reports and Quotation Information (''OPRA Plan''). The amendment would revise the form of Vendor Agreement that is required to be entered into between OPRA and vendors of options information under Section VII(b) of the OPRA Plan. The Commission is publishing this notice to solicit comments on the proposed amendment to the OPRA Plan from interested persons.

[1] 17 CFR 240.11Aa3–2.

[2] OPRA is a national market system plan approved by the Commission pursuant to Section 11A of the Exchange Act, 15 U.S.C. 78k–1, and Rule 11Aa3–2 thereunder, 17 CFR 240.11Aa3–2. *See* Securities Exchange Act Release No. 17638 (March 18, 1981), 22 S.E.C. Docket 484 (March 31, 1981). The OPRA Plan provides for the collection and dissemination of last sale and quotation information on options that are traded on the participant exchanges. The five signatories to the OPRA Plan that currently operate an options market are the American Stock Exchange, the Chicago Board Options Exchange, the International Securities Exchange, the Pacific Exchange, and the Philadelphia Stock Exchange. The New York Stock Exchange is a signatory to the OPRA Plan, but sold its options business to the Chicago Board Options Exchange in 1997. *See* Securities Exchange Act Release No. 38542 (April 23, 1997), 62 FR 23521 (April 30, 1997).