at (301) 415–1985 (e-mail *JJP@NRC.GOV*).

Although a deadline is given for comments on these draft guides, comments and suggestions in connection with items for inclusion in guides currently being developed or improvements in all published guides are encouraged at any time.

Regulatory guides are available for inspection at the NRC's Public Document Room, 11555 Rockville Pike, Rockville, MD; the PDR's mailing address is USNRC PDR, Washington, DC 20555; telephone (301) 415–4737 or (800) 397–4209; fax 301–415–3548; e-mail *pdr@nrc.gov*. Requests for single copies of draft or final regulatory guides (which may be reproduced) or for placement on an automatic distribution list for single copies of future draft guides in specific divisions should be made in writing to the U.S. Nuclear Regulatory Commission, Washington, DC 20555, Attention: Reproduction and Distribution Services Section, or by fax to 301–415–2289; e-mail *distribution@nrc.gov*. Telephone requests cannot be accommodated. Regulatory guides are not copyrighted, and NRC approval is not required to reproduce them. (5 U.S.C. 552(a))

Dated at Rockville, Maryland, this 25th day of February 2004.

For the Nuclear Regulatory Commission.

Mabel Lee,

Director, Program Management, Project Development and Support, Office of Nuclear Regulatory Research.

[FR Doc. 04–4919 Filed 3–4–04; 8:45 am]

BILLING CODE 7590–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–27804]

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

February 27, 2004.

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 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 March 22, 2004, 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 March 22, 2004 the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

System Energy Resources, Inc. (70–10182)

System Energy Resources, Inc. (''SERI''), 1340 Echelon Parkway, Jackson, Mississippi 39213, an electric utility subsidiary of Entergy Corporation, a registered holding company, has filed a declaration under sections 6(a), 7, 9(a), 10, 12(b) and 12(d) of the Act and rules 44, 45 and 54 under the Act.

By prior Commission order dated December 23, 1988 (HCAR No. 24791), SERI was authorized to sell and lease back from certain trusts acting as lessors (''Lessors''), on a long-term net lease basis, all approximate 11.5% aggregate ownership interest (''Undivided interests'') in Unit No. 1 of the Grand Gulf Steam Electric Generating Station (''Grand Gulf 1'') in two substantially identical, but entirely separate, transactions. SERI now has an approximate 78.5% undivided ownership interest and an approximate 11.5% leasehold interest in Grand Gulf I. The remaining 10% of Grand Gulf I is owned by an electric cooperative, South Mississippi Electric Power Association. The purchase price of the Undivided Interests was $500 million, of which approximately $64,898,000 was provided by the equity contributions of two owner participants in the two Lessor trusts and approximately $435,102,000 was provided by loans from a group of interim lenders (''Interim Borrowings'').

By subsequent order dated April 13, 1989 (HCAR No. 24861), SERI's financing subsidiary, GG1A Funding Corporation (''Funding Corporation''), was authorized to issue $435,102,000 of Secured Lease Obligation Bonds (''Original Bonds'') in an underwritten public offering in two series, consisting of $163,666,000, principal amount due 2004, Series 11.07% Bonds and $271,436,000, principal amount due 2014, Series 11.50% Bonds. The proceeds from the sale of the Original Bonds were applied to refunding of the Interim Borrowings.

Finally, by order dated January 14, 1994 (HCAR No. 25974), a new SERI financing subsidiary, GG1B Funding Corporation (''New Funding Corporation''), was authorized to issue an additional $435,102,000 million of Secured Lease Obligation Bonds (''Original Refunding Bonds'') in an underwritten public offering in two series, consisting of $356,056,000, principal amount due 2011 (''Series 7.43% Bonds'') and $79,046,000, principal amount due 2014 (''Series 8.20% Bonds''). The proceeds from the sale of the Original Refunding Bonds were applied to refund the Original Bonds.

SERI now proposes to cause New Funding Corporation or a comparable entity to issue not in excess of $293,093,025 of additional Secured Lease Obligation Bonds in one of more separate series (''New Refunding Bonds''), through December 31, 2005 (''Authorization Period''). The New Refunding Bonds will be issued under the New Funding Corporation's Collateral Trust Indenture dated as of January 1, 1994, as amended (''Indenture''), among New Funding Corporation, SERI and Deutsche Bank Trust Company Americas, as trustee (''Trustee''), or a comparable instrument in order to refund the Original Refunding Bonds. Likewise the New Refunding Bonds will be structured and issued under the documents and procedures applicable to the issuance of the Original Refunding Bonds.

The proceeds from the sale of the New Refunding Bonds, together with funds provided by SERI and/or the Lessors, will be applied to the cost of redeeming the Original Refunding Bonds and may be applied to meet associated issuance costs. Series 7.43 Bonds were first optionally redeemable on January 15, 2004 at 102.477%. Series 8.20 Bonds were first optionally redeemable on January 15, 2004 at 104.100%.

The New Refunding Bonds may be issued in one or more series bearing interest at various fixed rates. However, the interest rate on the New Refunding Bonds will not exceed at the time of issuance, the greater of (a) 500 basis points over U.S. Treasury securities having a remaining term comparable to the term of the New Refunding Bonds to be issued and (b) a spread over U.S. Treasury securities that is consistent with similar securities of comparable credit quality and maturities issued by other companies. Neither the term of the

New Refunding Bonds nor the amortization schedule will extend beyond the current term of the leases of the Undivided Interests, which expire on July 15, 2015. For certain purposes, however, at the time of the refunding of the Original Refunding Bonds, SERI may seek to extend the current term of the leases and adjust its lease payments as appropriate, provided that any extension does not exceed its operating license.

The New Refunding Bonds will be subject to redemption upon certain terminations of the leases at a redemption price equal to the unpaid principal amount, plus accrued interest to the redemption date. Other redemption and sinking fund provisions, as well as fees and expenses, will be determined by negotiation. The New Refunding Bonds will be structured and issued under the documents and pursuant to the procedures applicable to the issuance of the Original Refunding Bonds or comparable documents having similar terms and provisions.

The proceeds of the sale of the New Refunding Bonds will be loaned by the New Funding Corporation to the Lessors, and the Lessors will issue lessor notes (''Lessor Notes'') to the New Funding Corporation under the terms of two trust indentures, deeds of trust, mortgages, security agreements and assignments of facility leases, dated as of December 1, 1988 (''Lease Indentures''), as supplemented from time-to-time. The Lessors in turn will apply the proceeds to repayment of similar Lessor Notes issued in 1994 to secure the Original Refunding Bonds, and the New Funding Corporation will repay the Original Refunding Bonds. SERI is unconditionally obligated to make payments under the Lease in amounts that will be at least sufficient to provide for scheduled payments of the principal of and interest on the Lessor Notes, which amounts, in turn, will be sufficient to provide for scheduled payments of the principal of, and the interest on, the New Refunding Bonds.

Neither the New Refunding Bonds nor the associated Lessor Notes will be direct obligations of, or guaranteed by, SERI. However, under certain circumstances, SERI may assume all, or a portion of, the Lessor Notes. The New Refunding Bonds will be secured by the Lessor Notes, which will be held by the Trustee under the Indenture. Each Lessor Notes will, in turn, be secured by, among other things (a) a lien on and security interest in the Undivided Interest of the Lessor issuing the Lessor Note and (b) certain of the rights of such Lessor under its Lease with SERI, including the right to receive the basic rent and certain other amounts payable by SERI.

Upon the occurrence of certain events of default under the Indenture, subject to certain exceptions, the Trustee may declare all New Refunding Bonds to be immediately due and payable. The New Funding Corporation's obligations under the Indenture may be discharged prior to the maturities of New Refunding Bonds in whole, or in part, by depositing with the Trustee sufficient funds to meet related principal, interest and premium obligations as they become due or paying down the Lessor Notes of a corresponding series of New Refunding Bonds.

As an alternative to using New Refunding Bonds issued by a New Funding Corporation, SERI may choose to use a trust structure in which one or more pass through statutory business trusts (''Business Trust'') would be established to hold the Lessor Notes issued under the Lease Indentures. In lieu of issuing New Refunding Bonds, the trust would issue certificates evidencing preferred beneficial ownership interests in the trusts (''Trust Certificates''). If such a trust structure is used, concurrently with the issuance of any series of Trust Certificates, each Business Trust will invest the proceeds in the Lessor Notes, which will be the sole asset of the Business Trust, and payments under the Lessor Notes will be the only revenue of the Business Trust. The Trust Certificates will not be the direct obligations of, or guaranteed by SERI. However, the Trust Certificates will be supported by the Lessor Notes, which will be held and secured by the Business Trust. In addition, under certain circumstances, SERI may assume all, or a portion of, the Lessor Notes.

The Trust Certificates may be issued in one or more series bearing dividends at various fixed rates. However, the dividend rates on any series of Trust Certificates will not exceed at the time of issuance the greater of (a) 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, and (b) a rate that is consistent with similar securities of comparable credit quality and maturities issued by other companies. Dividends on the Trust Certificates will be made periodically and to the extent funds are legally available for such purpose, but may be made subject to terms that allow the Business Trust to defer dividend payments for specified periods. The Trust Certificates will be subject to redemption upon certain terminations of the Leases at a redemption price equal to their principal amount, plus accrued dividends to the redemption date. Each series of Trust Certificates will have such other rights, preferences and priorities, including additional redemption provisions, as may be designated in the instrument creating such series and established by negotiation. Any associated placement, underwriting or selling agent fees, commission, discounts or upfront fees will also be established by negotiation.

SERI shall not cause the sale of the New Refunding Bonds or the Trust Certificates unless (a) the estimated present value savings derived from the net difference between interest payments on a new issue of comparable securities and those securities refunded is, on an after-tax basis, greater that the present value of all redemption and issuing costs, assuming an appropriate discount rate, determined on the basis of the then estimated after-tax cost of capital of Entergy and its subsidiaries, consolidated, or (b) SERI shall have notified the Commission of the terms and conditions of the proposed refinancing transaction by post-effective amendment and obtained appropriate supplemental authorization from the Commission to consummate the transactions.

SERI represents that all times during the Authorization Period, SERI and Entergy will each maintain common equity of at least 30% of total capitalization (based on the financial statements filed for the most recent quarterly report on Form 10–Q or annual report on Form 10–K); and that no securities may be issued by SERI in reliance upon the authorization that may be granted by the Commission in this matter, unless (1) the security to be issued by SERI, if rated, is rated investment grade (''Investment Grade''); (2) all outstanding securities of SERI that are rated are rated Investment Grade; and (3) all outstanding securities of Entergy that are rated are rated Investment Grade (collectively, ''Investment Grade Ratings Criteria''). For purposes of this provisions, a security will be deemed to be rated ''Investment Grade'' if it is rated investment grade by Moody's Investors Services, Standard & Poor's Fitch Ratings or any other 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. SERI further requests that the Commission reserve jurisdiction over the issuance of any security for which at any time one or

more of the Investment Grade Ratings Criteria are not satisfied.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 04–4831 Filed 3–4–04; 8:45 am]

BILLING CODE 8010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–49334; File No. SR–CBOE–2004–01]

Self-Regulatory Organizations; Order Granting Approval of Proposed Rule by the Chicago Board Options Exchange, Incorporated Relating to the UMA Calculation for the CBOE Hybrid System

February 27, 2004.

On January 8, 2004, the Chicago Board Options Exchange, Incorporated (''CBOE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') the proposed rule change, pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] to allow the appropriate Index Floor Procedure Committee (''IFPC'') to vary the component weightings of the Ultimate Matching Algorithm (''UMA'') formula by product. On January 20, 2004, the Exchange submitted amendment No. 1 to the proposed rule change.[3] The proposed rule change, as amended, was published for comment in the **Federal Register** on January 28, 2004.[4] The Commission received no comments on the proposal. This order approves the proposed rule change, as amended.

The Exchange currently trades equity options on the CBOE Hybrid System (''Hybrid System'')[5] and recently commenced trading of index options and ETF options on Hybrid.[6] The Exchange trades on Hybrid index options and options on ETFs pursuant to the existing Hybrid rules applicable to equity options.

CBOE Rule 6.45A governs the priority and allocation of trades on the Hybrid System, and contains the UMA allocation model, which is a weighted formula that incorporates and blends the concepts of parity (Component A) and size prorata distribution (Component B). With respect to equity option trading, UMA currently assigns equal weighting percentages to Components A and B. Currently, all products under the jurisdiction of each floor procedure committee (''FPC'') must utilize the same UMA weighting percentages (*i.e.*, Components A and B must be weighted the same in all products under that FPC's jurisdiction). The Exchange proposes to permit the appropriate index FPC (''IFPC'') to vary the weighting percentages of Components A and B by index or ETF option product.

The Commission finds that the proposed rule change, as amended, is consistent with the requirements of section 6 of the Act,[7] and the rules and regulations thereunder applicable to a national securities exchange.[8] In particular, the Commission finds that the proposed rule change is consistent with section 6(b)(5) of the Act,[9] which requires, among other things, that the Exchange's rules be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and, in general, to protect investors and the public interest. The Commission believes that the proposal may allow for more competitive quoting, by permitting the IFPC to take into account disparate sized trading crowds trading the various index option or ETF option products. Further, the Commission believes that the proposed rule change may enhance competition to improve liquidity for that subset of such products that are generally less liquid.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,[10] that the proposed rule change (SR–CBOE–2004–01), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[11]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 04–4904 Filed 3–4–04; 8:45 am]

BILLING CODE 8010–01–P

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Letter from Stephen Youhn, Counsel, CBOE, to Deborah Flynn, Assistant Director, Division of Market Regulation, Commission, dated January 20, 2004. In Amendment No. 1, CBOE replaced in its entirety the original proposed rule filing.

[4] *See* Securities Exchange Act Release No. 49108 (January 21, 2004), 69 FR 4187.

[5] The Hybrid System merges the electronic and open outcry trading models, offering CBOE market makers the ability to stream electronically their own market quotes. *See* Securities Exchange Act Release No. 47959 (May 30, 2003), 68 FR 34441 (June 9, 2003) (''Hybrid Release'').

[6] *See* Securities Exchange Act Release No. 48953 (December 18, 2003), 68 FR 75004 (December 29, 2003) (order approving SR–CBOE–2003–57).

[7] 15 U.S.C. 78f(b).

[8] In approving the proposed rule change, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[9] 15 U.S.C. 78f(b)(5).

[10] 15 U.S.C. 78s(b)(2).

[11] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–49341; File No. SR–CBOE–2004–08]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change and Amendment No. 1 Thereto by the Chicago Board Options Exchange, Incorporated To Establish a Fee Cap of $75,000 Per Month for Member Firms on All Firm Proprietary and Firm Facilitation Trading in CBOE Products, To Reinstate the Prospective Fee Reduction Program, and To Credit DPM P/A Linkage Order Transaction Fees

March 1, 2004.

Pursuantto section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1], and Rule 19b–4 thereunder,[2] notice is hereby given that on February 2, 2004, the Chicago Board Options Exchange, Incorporated (''CBOE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. On February 23, 2004, the Exchange filed Amendment No. 1 to the proposed rule change. The proposed rule change, as amended, has been filed by the CBOE as establishing or changing a due, fee, or other charge, pursuant to section 19(b)(3)(A)(ii)[3] of the Act and Rule 19b–4(f)(2)[4] thereunder, which renders the proposal effective upon filing with the Commission. The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to make several changes to its Fee Schedule to (1) establish a fee cap of $75,000 per month for member firms on all firm proprietary and firm facilitation trading in CBOE products; (2) reestablish the

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] 15 U.S.C. 78s(b)(3)(A)(ii).

[4] 17 CFR 240.19b–4(f)(2).