10230, New Executive Office Building, Washington, DC 20503.

Chuck Mierzwa,

Clearance Officer. [FR Doc. 03–25567 Filed 10–8–03; 8:45 am] BILLING CODE 7905–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27733]

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

October 3, 2003.

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 October 27, 2003, 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 October 27, 2003, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Gulf Power Company (70–10154)

Gulf Power Company ("Gulf"), One Energy Place, Pensacola, Florida 32520, a wholly owned electric utility subsidiary of The Southern Company ("Southern"), 270 Peachtree Street, NW., Atlanta, Georgia 30303, a registered holding company, has filed an application-declaration ("Application") under sections 6(a), 7, 9(a), 10 and 12 (b) of the Act and rules 45, 52 and 54. Gulf proposes to organize one or more subsidiaries for the purpose of effecting various financing transactions involving the issuance and sale of an aggregate of \$150,000,000 of preferred securities, from time to time, through December 31, 2006.

In connection with the issuance of the preferred securities, Gulf proposes to organize one or more separate subsidiaries as a business trust under the laws of the State of Florida or a statutory trust under the laws of the State of Delaware or another comparable trust in any jurisdiction, or any other entity or structure, foreign or domestic, that is considered advantageous by Gulf (individually a "Trust" and collectively the "Trusts").1 Gulf proposes that the Trusts will issue and sell from time to time preferred securities, as described in this Application (the "Preferred Securities"), with a specified par or stated value or liquidation amount or preference per security. Gulf requests the Commission to reserve jurisdiction over the use of a foreign entity as a Trust.

Gulf has a total amount of \$115,000,000 of Preferred Securities issued and outstanding through Trusts, as of June 30, 2003. The outstanding Preferred Securities were issued through Trusts rather than directly by Gulf as subordinated debt because certain rating agencies recognize preferred securities of this kind, issued through trusts, as having some equity content, rather than directly issued subordinated debt, which has no equity content. Gulf states that transactions of the Trusts are reported by Gulf on its financial statements and asserts that it is desirable for Gulf to continue to maintain a degree of similarity in its financial statements by issuing Preferred Securities through the Trusts rather than directly issuing subordinated debt.²

²Gulf notes that it reclassified \$115,000,000 of outstanding mandatorily redeemable Preferred Securities as liabilities, effective July 1, 2003, pursuant to Financial Accounting Standards Board Gulf currently is authorized to issue Preferred Securities in an aggregate amount of up to \$30,000,000 through December 31, 2005, pursuant to Commission orders dated January 16, 1998 and June 8, 2001 (HCAR No. 26817 and HCAR No. 27417, respectively). Gulf proposes that this Application's authorization of \$150,000,000 supersede and replace the amounts remaining in these previous authorizations.

Gulf states that it will acquire all of the common stock of any Trust for an amount not less than the minimum required by any applicable law and not exceeding 21% of the total equity capitalization from time to time of the Trust (*i.e.*, the aggregate of the equity accounts of such Trust).³ The aggregate of such investment by Gulf hereafter is referred to as the "Equity Contribution." Gulf may issue and sell to any Trust, at any time or from time to time in one or more series, subordinated debentures, promissory notes or other debt instruments (individually a "Note" and collectively the "Notes") governed by an indenture or other document. The Trust will apply both the Equity Contribution made to it and the proceeds from the sale of Preferred Securities by it, from time to time, to purchase Notes. Alternatively, Gulf may enter into a loan agreement or agreements with any Trust under which the Trust will lend Gulf (individually a "Loan" and collectively the "Loans") both the Equity Contribution to the Trust and the proceeds from the sale of the Preferred Securities by the Trust, from time to

³ The constituent instruments of each Trust. including its Trust Agreement, will provide, among other things, that the Trust's activities will be limited to the issuance and sale of Preferred Securities, from time to time, and the lending to Gulf of (i) the resulting proceeds, (ii) the Equity Contribution to the Trust, and (iii) certain other related activities. Consequently, Gulf proposes that a Trust's constituent instruments will not include any interest or dividend coverage nor will a Trust have capitalization ratio restrictions on its ability to issue and sell Preferred Securities. Because each issuance will be supported by a Note and Guaranty, capitalization ratio restrictions would not be relevant or necessary to enable a Trust to maintain an appropriate capital structure. Furthermore, each Trust's constituent instruments will state that its common stock is not transferable (except to certain permitted successors), that its business and affairs will be managed and controlled by Gulf (or permitted successor), and that Gulf (or permitted successor) will pay all expenses of the Trust.

¹ Applicants state that the ability to use trusts in financing transactions can sometimes offer increased state and/or federal tax efficiency. Increased tax efficiency can result if a trust is located in a state or country that has tax laws that make the proposed financing transaction more tax efficient relative to the company's existing taxing jurisdiction. Decreasing tax exposure, however, is usually not the primary goal when establishing a trust. Use of a trust can provide potentially significant benefits to a company, even without a net improvement in its tax position. Trusts can increase a company's ability to access new sources of capital by enabling it to undertake financing transactions with features and terms attractive to a wider investor base. Trusts can be established in jurisdictions or on terms favorable to the sponsoring company and, at the same time, give targeted investors attractive incentives to invest and so provide financing. Many of these investors would not be participants in the company's bank group and, typically, would not hold company bonds or commercial paper. Consequently, they represent potential new sources of capital.

^{(&}quot;FASB") Statement No. 150 "Accounting for Certain Financial Instruments with the Characteristics of both Liabilities and Equity." In May 2003, FASB issued Statement 150, which requires reclassification of certain financial instruments within its scope, including shares that are mandatorily redeemable as liabilities, and Statement No. 150 is currently effective. Gulf states that the reclassification as a result of implementation of Statement No. 150 did not have a material effect on its Statements of Income and Cash Flows.

time. Gulf will issue Notes, evidencing such borrowings, to the Trust.

Gulf also proposes to guarantee (individually a "Guaranty" and collectively the "Guaranties") (i) payment of dividends or distributions on the Preferred Securities of any Trust if, and to the extent, the Trust has funds legally available, (ii) payments to the Preferred Securities holders of amounts due upon liquidation of the Trust or redemption of the Preferred Securities of such Trust and (iii) certain additional amounts that may be payable by the Preferred Securities. Gulf's credit would support any Guaranty.

Gulf states that each Note will have a term of up to fifty (50) years. Prior to maturity, Gulf will pay interest only on the Notes at a rate equal to the dividend or distribution rate on the related series of Preferred Securities, which dividend or distribution rate may be either fixed or adjustable, to be determined on a periodic basis by auction or remarketing procedures, in accordance with a formula or formulae based upon certain reference rates, or by other predetermined methods.⁴

The interest payments will constitute each respective Trust's only income and will be used by it to pay dividends or distributions on its Preferred Securities and dividends or distributions on its common stock. Dividend payments or distributions on the Preferred Securities will be made on a monthly or other periodic basis and must be made to the extent that the Trust issuing the Preferred Securities has legally available funds and cash sufficient for such purposes. However, Gulf may have the right to defer payment of interest on any issue of Notes for five or more years.

Each Trust will have the parallel right to defer dividend payments or distributions on the related series of Preferred Securities for five or more years, provided that, if dividends or distributions on the Preferred Securities of any series are not paid for eighteen (18) or more consecutive months, then the holders of the Preferred Securities of such series may have the right to appoint a trustee, special general partner or other special representative to enforce the Trust's rights under the related Note and Guaranty. The dividend or distribution rates, payment dates, redemption and other similar provisions of each series of Preferred Securities will be substantially identical to the interest rates, payment dates redemption and other provisions of the Notes issued.

Gulf states that the Notes and related Guaranties will be subordinate to all other existing and future unsubordinated indebtedness for borrowed money of Gulf and will have no cross-default provisions with respect to other indebtedness of Gulf (i.e., a default under any other outstanding indebtedness of Gulf would not result in a default under any Note or Guaranty). However, Gulf may be prohibited from declaring and paying dividends on its outstanding capital stock and making payments in respect of pari passu debt unless all payments then due under the Notes and Guaranties (without giving effect to the deferral rights discussed above) have been made.

The distribution rate to be borne by the Preferred Securities and the interest rate on the Notes will not exceed the greater of (i) 300 basis points over U.S. Treasury securities having comparable maturities or (ii) a gross spread over U.S. Treasury securities that is consistent with similar securities issued by other companies having comparable maturities and credit quality.

Gulf will use the proceeds from the sale of the securities in connection with its ongoing construction program, to pay scheduled maturities and/or refundings of its securities, to repay short-term indebtedness to the extent outstanding and for other general corporate purposes.

Gulf represents that it will maintain its common equity as a percentage of capitalization (inclusive of short-term debt) at no less than thirty (30) percent. Gulf further represents that no guaranties or other securities may be issued in reliance upon the requested authorization, unless (i) the security to be issued, if rated, is rated investment grade; (ii) all outstanding securities of Gulf that are rated are rated investment grade; and (iii) all outstanding securities

of Southern that are rated are rate investment grade. For purposes of this provision, a security will be deemed to be rated "investment grade" if it is rated investment grade by at least one 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, as amended. Gulf requests that it, nevertheless, be permitted to issue a security that does not satisfy these conditions if the requirements of rule 52(a)(i) and rule 52(a)(iii) are met and the issue and sale of the security have been expressly authorized by the Florida Public Service Commission.⁵ Gulf also requests the Commission to reserve jurisdiction over any guaranties or securities that do not satisfy these conditions.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03–25568 Filed 10–8–03; 8:45 am] BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–48584; File No. SR–CSE– 2003–13]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Cincinnati Stock Exchange, Inc., To Extend Its Liquidity Provider Fee and Rebate Pilot Program

October 2, 2003.

Pursuant to 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 September 29, 2003, the Cincinnati Stock Exchange, Inc. ("CSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Exchange has filed this proposal pursuant to section 19(b)(3)(A) of the Act ³ and Rule 19b- $4(f)(6)^4$ thereunder, which renders the proposal effective upon filing with the Commission.⁵ The Commission is

⁵Gulf is a Maine corporation doing business in the State of Florida and does not do business in the State of Maine.

- ¹15 U.S.C. 78s(b)(1).
- ² 17 CFR 240.19b-4.
- ³ 15 U.S.C. 78s(b)(3)(A).
- ⁴ 17 CFR 240.19b–4(f)(6).

⁴ The Preferred Securities of any series may be redeemable at the option of the Trust issuing the series (with the consent or at the direction of Gulf) at a price equal to their par or stated value or liquidation amount or preference, plus any accrued and unpaid dividends or distributions, (i) at any time after a specified date not later than approximately ten (10) years from their date of issuance, or (ii) upon the occurrence of certain events, among them that (a) the Trust is required to withhold or deduct certain amounts in connection with dividend, distribution or other payments or is subject to federal income tax with respect to interest received on the Notes issued to the Trust, or (b) it is determined that the interest payments by Gulf on the related Notes are not deductible for income tax purposes, or (c) the Trust becomes subject to regulation as an "investment company" under the Investment Company Act of 1940, as amended. The Preferred Securities of any series may also be subject to mandatory redemption upon the occurrence of certain events. Gulf also may have the right in certain cases, or in its discretion, to exchange the Preferred Securities of any Trust for the Notes or other junior subordinated debt issued to the Trust. In addition, rather than issuing Preferred Securities of a Trust, Gulf may instead issue Notes or other junior subordinated debt directly to purchasers.

 $^{^5}$ The CSE asked the Commission to waive the 5-day pre-filing notice requirement and the 30-day