

U.S. Office of Personnel Management.
Lorraine A. Green,
Deputy Director.
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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26269]

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

April 7, 1995.

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

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by May 1, 1995, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in a case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

System Energy Resources, Inc., et al.
(70-8511)

System Energy Resources, Inc. ("SERI"), Echelon One, 1340 Echelon Parkway, Jackson, Mississippi 39213, Arkansas Power & Light Company ("AP&L"), 425 West Capitol, 40th Floor, Little Rock, Arkansas 72201, Louisiana Power & Light Company ("LP&L"), 639 Loyola Avenue, New Orleans, Louisiana 70113, Mississippi Power & Light Company ("MP&L"), 308 East Pearl Street, Jackson, Mississippi 39201, New Orleans Public Service Inc. ("NOPSI" and together with AP&L, LP&L and

MP&L, "Operating Subsidiaries"), 639 Loyola Avenue, New Orleans, Louisiana 70113, and Entergy Corporation ("Entergy"), 225 Baronne Street, New Orleans, Louisiana 70112, a registered holding company, have filed an application-declaration with this Commission pursuant to Sections 6(a), 7, 9(a), 10 and 12(d) of the Public Utility Holding Company Act of 1935 ("Act") and Rules 44 and 54 thereunder. A notice of this transaction was originally issued by the Commission on November 28, 1994 (HCAR No. 26173).

SERI proposes from time to time through December 31, 1996 (a) to issue and sell one or more series of its first mortgage bonds ("Bonds") and/or its debentures ("Debentures") in a combined aggregate principal amount not to exceed \$265 million, and (b) to enter into arrangements for the issuance and sale of tax-exempt revenue bonds ("Tax-Exempt Bonds") in an aggregate principal amount not to exceed \$235 million. Additionally, SERI requests authority through December 31, 1996 to issue and pledge one or more new series of its first mortgage bonds in an aggregate principal amount not to exceed \$251 million ("Collateral Bonds") as security for the Tax-Exempt Bonds.

Each series of Bonds will have such interest rate, maturity date, redemption and sinking fund provisions, be secured by such means and sold in such manner and at such price and have such other terms and conditions as shall be determined at the time of sale. However, the maturity of the Bonds and the Debentures will in no case exceed forty years. Further, the rate on the Bonds and the Debentures, which may be fixed or variable, will not exceed 15%. Additionally, holders of Bonds or Debentures would have the right to tender, or be required to tender, their Bonds or Debentures and have them purchased at a price equal to the principal amount thereof, plus any accrued and unpaid interest thereon, on dates specified in, or established in accordance with the indenture pursuant to which they will be issued.

In order to provide additional security for its obligations with respect to the Bonds, SERI may assign for the benefit of the holders of the Bonds certain of its rights under the Availability Agreement, dated as of June 21, 1974, as amended ("Availability Agreement"). Pursuant to this agreement, the Operating Subsidiaries have agreed to pay SERI certain amounts for expenses incurred by SERI in connection with the operation of a nuclear-powered electric generating station in Mississippi.

As further security for its obligations with respect to the Bonds, SERI may assign certain of its rights under the Capital Funds Agreement dated as of June 21, 1974 ("Capital Funds Agreement"). Pursuant to the terms of this agreement, Entergy has agreed to provide SERI, among other things, capital sufficient to enable SERI to maintain a 35% equity ratio, as defined in that agreement.

SERI proposes to use the net proceeds derived from the issuance and sale of the Bonds for general corporate purposes, including, but not limited to, (i) the acquisition and retirement, by means of tender offer, or open market, negotiated or other forms of purchases, or redemption in whole or in part, prior to their respective maturities, of one or more series of SERI's outstanding first mortgage bonds, (ii) the payment of construction costs and nuclear fuel costs, (iii) the repayment of long- and short-term borrowings and/or (iv) other working capital needs.

SERI also requests authority to enter into arrangements for the issuance of Tax-Exempt Bonds by governmental authorities ("Issuer") in an aggregate principal amount not to exceed \$235 million. Each series of Tax-Exempt Bonds will have such interest rate, maturity date, redemption and sinking fund provisions, be secured by such means, be sold in such manner and at such price, and have such other terms and conditions as shall be determined at the time of sale. However, it is proposed that each series of the Tax-Exempt Bonds mature not earlier than five years from the first day of the month of issuance nor later than forty years from the date of issuance.

Under the proposed arrangements, SERI would enter into one or more installment purchase, refunding or other facilities agreements ("Facilities Agreement") or one or more supplements and/or amendments thereto with one or more Issuers. Pursuant to the terms of each Facilities Agreement, the Issuer will pay to or provide for the benefit of SERI the total amount of the proceeds of the Tax-Exempt Bonds and SERI will agree to pay amounts sufficient to pay the principal or redemption price of, premium, if any, and interest on the Tax-Exempt Bonds.

In order to obtain a more favorable rating on any series of Tax-Exempt Bonds, SERI may arrange for one or more irrevocable letter(s) of credit ("Letter of Credit") for an aggregate amount up to \$285 million from one or more banks ("Bank"). In connection with any such Letter of Credit, SERI would enter into a Reimbursement

Agreement ("Reimbursement Agreement") with the Bank. Pursuant to a Reimbursement Agreement, SERI would agree to reimburse the Bank party thereto immediately or within a specified period (not to exceed 60 months) after the date of the draw for all amounts drawn under Letter of Credit, together with accrued interest. The rate of such interest would not exceed the New York prime rate as published in The Wall Street Journal plus 200 basis points. Additionally, it is anticipated that each Reimbursement Agreement would require the payment by SERI to the Bank of up-front fees not to exceed \$100,000 and annual fees not to exceed 1¼% of the face amount of the related Letter of Credit.

In addition or as an alternative to the security provided by a Letter of Credit, SERI may pledge one or more new series of its first mortgage bonds ("Collateral Bonds") under the Mortgage, as it may be supplemented. These Collateral Bonds may be interest-bearing or non-interest bearing. Such Collateral Bonds would be non-interest bearing if the principal amount issued were the same as the principal of the underlying Tax-Exempt Bonds plus accumulated interest for a specified period. The rate on interest-bearing Collateral Bonds may be less than or equal to the interest rate on the underlying Tax-Exempt Bonds.

As additional security for its obligations under any Facilities Agreement or to make payment on the Collateral Bonds, SERI may assign its interest in the Availability Agreement or the Capital Funds Agreement. In any such event, the Operating Subsidiaries would be required to consent to and join in such assignment.

SERI proposes to use the proceeds of the sale of Tax-Exempt Bonds to refinance certain pollution control revenue bonds that were previously issued to finance pollution control facilities at the Grand Gulf nuclear station.

The Cincinnati Gas & Electric Company, et al. (70-8607)

The Cincinnati Gas & Electronic Company ("CG&E"), an electric utility subsidiary company of CInergy Corp. ("CInergy"), a registered holding company, and CG&E's electric utility subsidiary company, The Union Light, Heat and Power Company ("Union Light") (together, "Operating Companies"), both located at 139 East Fourth Street, Cincinnati, Ohio 45202, have filed an application-declaration under Sections 6(a) and 7 of the Act and Rule 54 thereunder.

CG&E proposes to issue and sell within certain parameters, from time-to-time through March 31, 1996, an aggregate principal amount not to exceed \$500 million of a combination of senior unsecured indebtedness ("Senior Debentures") and junior unsecured subordinated indebtedness ("Junior Securities"). In addition, Union Light proposes to issue and sell within certain parameters, from time-to-time through March 31, 1997, an aggregate principal amount not to exceed \$55 million of unsecured indebtedness ("Union Debentures") (Union Debentures together with Senior Debentures, "Senior Securities") (Senior Securities together with Junior Securities, "Securities").

The Operating Companies have several high coupon series of first mortgage bonds and CG&E has preferred stock that are, or will shortly become, optionally redeemable and can be refinanced through the issuance of lower cost debt. Proceeds from the sale of the Senior Securities and the Junior Securities will be used respectively to refund some or all of redeemable high-coupon debt issues and the preferred stock. Any balance of net proceeds from the sale of the Securities will be used for general corporate purposes. Without further Commission authorization, none of the proceeds from the sale of the Securities will be used by the Operating Companies to acquire, directly or indirectly, an interest in an exempt wholesale generator (EWG) or foreign utility company (FUCO) as respectively defined in Sections 32 and 33 of the Act.

The Senior Securities: (1) Will be issued at a price no higher than 101.5% nor less than 98% of the principal amount, plus accrued interest, if any, with underwriting commissions and agents' fees not to exceed 1.25% of the principal amount; (2) may be issued in one or more new series for terms not to exceed 40 years; and (3) will be issued at an interest rate which results in a yield to maturity to the purchaser at the initial offering price, depending on the maturity of the security issued, of up to a maximum of (a) 225 basis points for the Senior Debentures, or (b) 200 basis points for the Union Debentures, over the yield to maturity on United States Treasury Notes and United States Treasury Bonds of comparable maturities, payable semi-annually.

The Junior Securities: (1) Will be issued at a price no higher than 101.5% nor less than 98% of the principal amount, plus accrued interest, if any, with underwriting commissions and agents' fees not to exceed 3.50% of the principal amount; (2) may be issued in

one or more new series for terms not to exceed 40 years; and (3) will be issued at an interest rate which results in a yield to maturity to the purchaser at the initial offering price, depending on the maturity of the security issued, of up to a maximum of 225 basis points over the yield to maturity on United States Treasury Notes and United States Treasury Bonds of comparable maturities. Interest on the Junior Securities will be paid on either a monthly, quarterly, semi-annual or annual basis, and CG&E may have the right to defer payment of interest on its Junior Securities for up to five years under certain circumstances.

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

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-35577; File No. SR-NSCC-95-3]

**Self-Regulatory Organizations;
National Securities Clearing
Corporation; Notice of Filing of
Proposed Rule Change Relating to
Implementation of a Three-Day
Settlement Standard**

April 6, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on March 1, 1995, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by NSCC. On March 27, 1995, NSCC filed an amendment to the proposed rule change.² The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

NSCC proposes to modify its rules to implement a three business day settlement standard for securities transactions.

¹ 15 U.S.C. § 78s(b)(1) (1988).

² Letter from John P. Barry, Associate Counsel, NSCC, to Christine Sibille, Senior Counsel, Division of Market Regulation, Commission (March 27, 1995).