routing, delivery, execution and reporting system for equity and index options. AUTOM is an on-line system that allows electronic delivery of options orders from member firms directly to the appropriate specialist on the Exchange's trading floor.

Certain orders are eligible for AUTOM's automatic execution feature, AUTO–X.[8] AUTO–X orders are executed automatically at the disseminated quotation price on the Exchange and reported to the originating firm. Orders that are not eligible for AUTO–X are handled manually by the specialist.

The Commission approved the use of AUTO–X as part of the AUTOM pilot program in 1990.[9] In 1991, the Commission approved a Phlx proposal to extend AUTO–X to all equity options.[10] As noted earlier, orders for up to 500 contracts are eligible for AUTOM and orders for up to 25 contracts, in general, are eligible for AUTO–X.

The Phlx believes that the proposed expanded AUTO–X parameter for PDG options should improve the AUTOM system by offering the benefits of AUTO–X, including prompt and efficient automatic executions at the displayed price, to additional customer orders. The Exchange states that the proposed AUTO–X increase for PDG options from a maximum of 25 to 50 contracts is in line with prior changes. For examples, the Phlx notes that the Commission previously has approved an AUTO–X increase from 10 to 20 contracts.[11] In addition, the Commission has previously approved the expansion of AUTO–X with respect to a specific equity option.[12]

The Exchange represents that the specialist unit currently assigned in PDG, which requested this change, presently is in compliance with Exchange financial requirements and possesses adequate capital to fulfill its proposed AUTO–X responsibilities respecting 50 contracts in PDG. In addition, the Exchange notes that although AUTO–X orders are by definition executed automatically, there are opportunities for price improvement in accordance with a post-execution price change. For example, in the event of an error in the displayed price, the AUTO–X price can be adjusted.

The Exchange notes that the proposed expansion of the maximum AUTO–X order size in PDG options should not impose significant burdens on the operation and capacity of the AUTOM system. Instead, the Phlx believes that the proposal may enhance AUTOM's effectiveness by increasing the number of orders eligible for automatic execution, thereby reducing manual processing.

The Phlx believes that the proposal is consistent with Section 6(b) of the Act, in general, and, in particular, with Section 6(b)(5), in that it is designed to promote just and equitable principles of trade and to prevent fraudulent and manipulative acts and practices, as well as to protect investors and the public interest, by extending the benefits of AUTO–X to a larger number of customer orders.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Phlx does not believe that the proposed rule change will impose any inappropriate burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reason for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(a) By order approve such proposed rule change, or

(b) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying at the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by December 4, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[13]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–27881 Filed 11–9–95; 8:45 am]

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extending pilot through December 31, 1991); 29662 (September 9, 1991), 56 FR 46816 (order approving File No. SR–Phlx–91–31, permitting AUTO–X orders up to 20 contracts in Duracell options only); 29837 (October 18, 1991), 56 FR 36496 (order approving File No. SR–Phlx–91–33, increasing size of AUTO–X orders from 10 contracts to 20 contracts); 32906 (September 15, 1993), 58 FR 15168 (order approving File No. SR–Phlx–92–38, permitting AUTO–X orders up to 25 contracts in all options); and 33405 (December 30, 1993), 59 FR 790 (order approving File No. SR–Phlx–93–57, extending pilot through December 31, 1994).

[8] Orders for up to 500 contracts are eligible for AUTOM and public customer orders for up to 25 contracts, in general, are eligible for AUTO–X. *See* Securities Exchange Act Release Nos. 35782 (May 30, 1995), 60 FR 30136 (June 7, 1995) (order approving File No. SR–Phlx–95–30); and 32000 (March 15, 1993), 58 FR 15168 (March 19, 1994) (order approving File No. SR–Phlx–92–38). As noted above, public customer orders for up to 50 contracts in TPX options are eligible for AUTO–X. *See* Securities Exchange Act Release No. 35781, *supra* note 1.

[9] *See* Securities Exchange Act Release No. 27599 (January 9, 1990), 55 FR 1751 (January 18, 1990) (order approving File No. SR–Phlx–89–03).

[10] *See* Securities Exchange Act Release No. 28978 (March 15, 1991), 56 FR 12050 (March 21, 1991) (order approving File No. SR–Phlx–90–34).

[11] *See* Securities Exchange Act Release No. 29837, *supra* note 5.

[12] *See* Securities Exchange Act Release No. 29662, *supra* note 5 (permitting AUTO–X orders up to 20 contracts in Duracell options only).

[13] 17 CFR 200.30–3(a)(12) (1994).

[Release No. 35–26403]

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

November 3, 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 application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendments thereto is/are available for public inspection through the

Commission's Office of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by November 27, 1995, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549, and serve a copy on the relevant applicant(s) and/or declaration(s) at the address(es) specified below. Proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. Any request for hearing shall identify specifically the issues of fact or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After said date, the applicant(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

American Electric Power Co., et al. (70–8693)

American Electric Power Company, Inc. (''AEP''), 1 Riverside Plaza, Columbus, Ohio, 43215, a registered holding company, and eight electric utility subsidiary companies, Appalachian Power Company (''Appalachian''), 40 Franklin Road, S.W., Roanoke, Virginia, 24011, Columbus Southern Power Company (''Columbus''), 214 North Front Street, Columbus, Ohio, 43215, Indiana Michigan Power Company (''Indiana''), One Summit Square, P.O. Box 60, Forth Wayne, Indiana, 46801, Kentucky Power Company (''Kentucky''), 1701 Central Avenue, Ashland, Kentucky, 41101, Ohio Power Company (''Ohio''), 301 Cleveland Avenue, S.W., Canton, Ohio, 44701, AEP Generating Company (''Generating''), 1 Riverside Plaza, Columbus, Ohio, 43215, Kingsport Power Company (''Kingsport''), 40 Franklin Road, S.W., Roanoke, Virginia, 24011, and Wheeling Power Company (''Wheeling'') 51 Sixteenth St., Wheeling, West Virginia, 26003, have filed an application under section 6(b) of the Act and rule 54 thereunder.

AEP, Appalachian, Columbus, Indiana, Kentucky and Ohio request authorization to incur short-term indebtedness, through December 31, 2001, through the issuance and sale of short-term notes to banks and commercial paper to dealers in commercial paper and, in addition, Generating, Kingsport, and Wheeling request authorization to incur short-term indebtedness, through December 31, 2001, through the issuance and sale of short-term notes to banks, in aggregate amounts not to exceed those herein specified:

Company	Amount
AEP	$150,000,000
Appalachian	250,000,000
Columbus	175,000,000
Indiana	175,000,000
Kentucky	150,000,000
Generating	100,000,000
Kingsport	30,000,000
Ohio	250,000,000
Wheeling	30,000,000
Total	1,310,000,000

AEP, Appalachian, Columbus, Indiana, Kentucky, Generating, Kingsport, Ohio and Wheeling (''Applicants'') request authorization for an increase in the exemption provided from the provisions of Section 6(a) by the first sentence of Section 6(b) of the Act to the extent necessary to cover the issuance and sale of notes and commercial paper. AEP's request is in addition to the authority granted to AEP in Holding Co. Act Release No. 36200 (Dec. 22, 1994). Applicants will use the short-term debt to pay general obligations and for other corporate purposes.

Applicants propose to issue and sell notes to several domestic and foreign banks through various credit arrangements, to include revolving credit agreements or shared lines of credit. Notes under the credit arrangements will mature within 270 days. Credit arrangements generally require commitment fees borne by each Applicant in proportion to its respective projected maximum need for credit.

The total annual cost of borrowings under all such bank lines is estimated to be not in excess of the effective rate for borrowings that bear interest at the prime commercial rate with compensating balances of up to 10% of the line of credit.

The maximum effective annual interest cost under any of these arrangements, assuming full use of the line of credit, is estimated to not exceed 125% of the prime commercial rate in effect from time to time, or not more than 10.94% on the basis of a prime commercial rate of 8.75%.

Commercial paper will be sold directly by AEP, Appalachian, Columbus, Indiana, Kentucky, or Ohio to dealers in commercial paper. Commercial paper will be in the form of promissory notes in denominations of not less than $50,000 and will mature within 270 days. Such notes will not be prepayable and will be sold at a discount rate not in excess of the discount rate per annum prevailing at the time of issuance for commercial paper of comparable quality and maturity. The commercial paper dealers will re-sell the commercial paper to investors, generally at a discount rate of up to 1⁄8 of 1% per annum less than the discount rate at which it was sold.

Applicants also request authorization to issue unsecured promissory notes or other evidence of their reimbursement obligations in respect of letters of credit issued on their behalf by certain banks. Letters of credit, together with other short-term indebtedness authorized, would be in an aggregate amount not to exceed the above-itemized aggregate amounts authorized for each Applicant.

Drawings under the letters of credit would bear interest at not more than 125% of the prime commercial rate in effect from time to time. An annual fee may be required for the issuance of such letters of credit. Such fee will not exceed 1% of the face amount of such letter of credit. Any such promissory note or other evidence of reimbursement obligations would mature within 270 days.

Arkansas Power & Light Company (70–8723)

Arkansas Power & Light Company (''AP&L''), 425 West Capitol Avenue, 40th Floor, Little Rock, Arkansas 72201, an electric public utility subsidiary company of Entergy Corporation, a registered holding company, has filed an application-declaration under sections 6(a), 7, 9(a), 10 and 12(b) of the Act and rules 45 and 54 thereunder.

AP&L proposes, from time-to-time through December 31, 2000, to: (1) Issue and sell through one or more special purpose subsidiaries, one or more series of preferred securities of such subsidiary having a stated per share liquidation preference (''Entity Interests''), in an aggregate principal amount not to exceed $200 million; (2) issue one or more series of AP&L's junior subordinated debentures to the special purpose subsidiary(ies), each series in an amount not to exceed the amount of the respective series of Entity Interests, plus an equity contribution; and (3) provide certain guarantees.

AP&L proposes to organize either a special purpose limited partnership or a statutory business trust (''Issuing Entity'') for the sole purpose of issuing the Entity Interests. In the case of a limited partnership, AP&L would either: (1) Act as the general partner of the Issuing Entity; or (2) organize a special purpose, wholly owned corporation for the sole purpose of acting as the general partner of the Issuing Entity. In the case of a business trust, the business and affairs of the trust would be conducted

by one or more trustees. AP&L will directly or indirectly make an equity contribution to the Issuing Entity at the time the Entity Interests are issued and thereby directly or indirectly acquire all of the general partnership interest (in the case of a limited partnership) or all of the voting interests (in the case of a business trust) in the Issuing Entity.

AP&L will issue, from time-to-time in one or more series, Subordinated Debentures (''Entity Subordinated Debentures'') to the Issuing Entity. The Issuing Entity will use the proceeds from the sale of its Entity Interests, plus the equity contributions made to it by AP&L to purchase the Entity Subordinated Debentures.

Each series of Entity Subordinated Debentures will mature at such time, not more than fifty years from their date of issuance, as AP&L may determine at the time of issuance. Prior to maturity, AP&L will pay interest only on the Entity Subordinated Debentures at either a fixed or adjustable rate. The distribution rates, payment dates, redemption, maturity, and other terms applicable to each series of Entity Interests will be substantially identical to the related interest rates, payment dates, redemption, maturity, and other terms applicable to the Entity Subordinated Debentures, and will be determined by AP&L at the time of issuance. The interest paid by AP&L on the Entity Subordinated Debentures will constitute the only source of income for the Issuing Entity and will be used by the issuing Entity to pay monthly or quarterly distributions on the Entity Interests.

AP&L may also enter into a guaranty (''Guaranty'') to guarantee unconditionally: (1) Payment of distributions on the Entity Interests, if and to the extent the Issuing Entity has legally available funds; (2) payments to the holders of Entity Interests of certain amounts due upon liquidation of the Issuing Entity or redemption of the Entity Interests; and (3) certain additional ''gross up'' amounts that may be payable regarding the Entity Interests. AP&L's Entity Subordinated Debentures and any Guaranty will be subordinated to senior indebtedness. Payment of interest on Entity Subordinated Debentures may be deferred for specified periods, without creating a default, so long as no dividends are being paid on, or certain actions are being taken with respect to the retirement of, the common or preferred stock of AP&L, respectively, during the deferral period.

Distributions on the Entity Interests will be paid monthly, quarterly or as determined at the time of sale of each series, will be cumulative, and will be mandatory to the extent that the Issuing Entity has legally available funds sufficient for such purposes. The Issuing Entity will have the right to defer distributions on the Entity Interests for a specified period, but only if and to the extent that AP&L defers the interest payments on the Entity Subordinated Debentures. It is anticipated that interest payments by AP&L on the Entity Subordinated Debentures will be deductible for federal and state income tax purposes and that the Issuing Entity will be treated as either a partnership or a trust, as the case may be, for federal income tax purposes. Consequently, the holders of Entity Interests will be deemed to have received interest income rather than dividends, and will not be entitled to any ''dividends received deduction'' under the Internal Revenue Code.

One or more series of Entity Interests and Entity Subordinated Debentures may include provisions for the mandatory and/or optional retirement of some or all of such series prior to maturity. The Entity Interests will be subject to redemption, in whole or in part, on and after a specified date (''Earliest Redemption Date'') at the option of the Issuing Entity, with the consent of AP&L, at a price equal to their stated liquidation preference, plus any accrued and unpaid distributions. The Earliest Redemption Date will be not later than five years after the date of issuance.

AP&L may also reserve the right, under certain circumstances, to exchange the Entity Subordinated Debentures for the Entity Interests or otherwise to distribute the Entity Subordinated Debentures to the holders of Entity Interests. If, as the result of: (1) The Entity Subordinated Debentures not being treated as indebtedness for federal income tax purposes; or (2) the Issuing Entity not being treated as either a partnership or a trust, for federal income tax purposes, the Issuing Entity is required to withhold or deduct from payments on the Entity Interests amounts that otherwise would not be required to be withheld or deducted, the Issuing Entity may also have the obligation, if the Entity Interests are not redeemed or exchanged, to increase or ''gross up'' such payments so that the holders of Entity Interests will receive the same payment after such withholding or deduction were required.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Issuing Entity, holders of Entity Interests will be entitled to receive, out of the assets of the Issuing Entity available for distribution to the limited partners or the preferred security holders, before any distribution of assets to the general partner or AP&L, an amount equal to the stated liquidation preference of the Entity Interests, plus any accrued and unpaid distributions.

No series of Entity Interests or corresponding series of Entity Subordinated Debentures will be sold if the fixed distribution or interest rate or initial adjustable distribution or interest rate would exceed the lower of 15% per annum or market rates generally obtainable at the time of pricing for sales of limited partnership or business trust interests having a reasonably equivalent maturity, issued by subsidiaries of companies of reasonably comparable credit quality and having reasonably similar terms, conditions and features. The initial distribution rate for Entity Interests of such series having an adjustable distribution will be determined in negotiations between AP&L and the purchasers of such series and be based on then current market rates for comparable subsidiary securities. Thereafter, the distribution rate on the Entity Interests would be adjusted according to a pre-established formula or method of determination or would be that rate which, at the time of remarketing, would be sufficient to remarket the Entity Interests at their principal amount.

The price, exclusive of accrued distributions, to be paid to the Issuing Entity for each such series of Entity Interests to be sold at competitive bidding will be within a range from 95% to 105% of the liquidation amount of such series of Entity Interests.

The Southern Company (70–8725)

The Southern Company (''Southern''), 64 Perimeter Center East, Atlanta, Georgia 30346, a registered holding company, has filed an application-declaration under sections 6(a), 7, 12(b), 32 and 33 of the Act and rules 45, 53, 54 and 100(a) thereunder.

Southern is currently authorized under the terms of three separate orders to finance the operations of its subsidiaries: (1) by issuing and selling approximately 50 million additional authorized shares of its common stock, par value $5 per share, from time to time through December 31, 1999, (2) by issuing guaranties of the securities of one or more exempt wholesale generators (''EWGs'') or foreign utility companies (''FUCOs''), as defined in sections 32 and 33 of the Act, in an aggregate amount not to exceed $1.2 billion at any one time outstanding, from time to time through December 31,

1999, and (3) by issuing notes evidencing short-term and term loan borrowings and/or commercial paper, in an aggregate principal amount not to exceed $1 billion at any one time outstanding, from time to time through March 31, 2000 (Holding Co. Act Release Nos. 26349 (Aug. 3, 1995), 26347 (Aug. 2, 1995), and 26346 (Aug. 1, 1995) (the ''Orders'')).

Under the terms of the Orders, Southern may use the proceeds of common stock sales and borrowings to finance the acquisition of the securities of one or more EWGs or FUCOs, and may issue guaranties in respect of the securities of such entities, provided that the sum of the net proceeds of common stock sales and borrowings used by Southern for these purposes and the guaranties at any time outstanding shall not, when added to Southern's ''aggregate investment'' (as defined in rule 53(a) under the Act) in all EWGs and FUCOs, exceed 50% of Southern's ''consolidated retained earnings'' (as defined in rule 53(a)).[1]

Southern requests the Commission to modify this limitation, and exempt Southern from the requirements of rule 53(a)(1), to permit Southern to use the net proceeds of common stock sales and borrowings authorized by the Orders to acquire the securities of EWGs and FUCOs, and to issue guaranties pursuant to the Orders,[2] in an aggregate amount that, when added to Southern's direct and indirect ''aggregate investment'', as defined, in all EWGs and FUCOs, would not at any time exceed 100% of Southern's ''consolidated retained earnings'', as defined. The current amount of Southern's ''aggregate investment'', as defined, in EWGs and FUCOs (approximately $1.244 billion) represents approximately 38.72% of its ''consolidated retained earnings'', as defined, at June 30, 1995 (approximately $3.213 billion). Increasing this limitation as Southern proposes would allow financing of additional investments in EWGs and FUCOs of approximately $1.97 billion.

Southern states that it is committed to making substantial additional investments in EWGs and FUCOs, primarily because (1) since 1988 and for at least the next ten years, there has been and is projected to be little or no need for Southern to make any significant equity investment in any of its utility subsidiaries; and (2) Southern has invested in utility systems in countries where competition is more fully developed so that it will be better able to compete in the future in the southeastern United States. Southern also describes comprehensive procedures that it has established to identify and address risks involved in EWG and FUCO investments.

Southern states that the use of financing proceeds and guaranties to make investments in EWGs and FUCOs to the proposed increased level will not have a substantial adverse impact on the financial integrity of the Southern system or an adverse impact on any utility subsidiary of Southern or its customers or on the ability of the affected state commissions to protect such customers. Southern further represents that it will not seek recovery through higher rates to its utility subsidiaries' customers in order to compensate Southern for any possible losses that it may sustain on investments in EWGs and FUCOs or for any inadequate returns on such investments.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–27882 Filed 11–9–95; 8:45 am]

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[1] This investment limitation is consistent with the investment limitation contained in Rule 53(a)(1).

[2] In a separate proceeding in File No. 70–8733, Southern is proposing to restate its authority to guaranty the securities of EWGs, FUCOs and certain other nonutility subsidiaries. If an order in that matter is issued prior to the issuance of the order requested in this filing, such order will be subject to the percentage limitation sought to be increased herein. The issuance of an order in this filing would amend Southern's guaranty authority as in effect at the date of issuance of such order.

[Investment Company Act Rel. No. 21472; 812–9558]

Ridgewood Electric Power Trust III et al.; Notice of Application

November 3, 1995.

AGENCY: Securities and Exchange Commission (the ''SEC'').

ACTION: Notice of application for an order under the Investment Company Act of 1940 (the ''Act'').

APPLICANTS: Ridgewood Electric Power Trust III (''Power III''), Ridgewood Electric Power Trust IV (''Power IV'') (Collectively, the ''Funds''), and Ridgewood Power Corporation.

RELEVANT ACT SECTIONS: Order requested under rule 17d–1 in accordance with sections 17(d) and 57(a)(4).

SUMMARY OF APPLICATION: Applicants request an order permitting Power III and Power IV, which are affiliated with each other, to co-invest in the same portfolio securities.

FILING DATE: The application was filed on April 6, 1995 and amended on November 2, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on November 28, 1995, and should be accompanied by proof of service on the applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reasons for the request, and the issues contested. Persons who with to be notified of a hearing may request such notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, 947 Linwood Avenue, Ridgewood, New Jersey 07450.

FOR FURTHER INFORMATION CONTACT: Marilyn Mann, Special Counsel, at (202) 942–0582, or Robert A. Robertson, Branch Chief, at (202) 942–0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee from the SEC's Public Reference Branch.

Applicants' Representations

1. The Funds are Delaware business trusts that have each elected to be regulated as a business development company (a ''BDC'') under the Act. They are designed to provide investors with the ability to participate primarily in investments in unregulated entities that own electric power plants or other facilities used in the generation, transmission, or distribution of electrical energy and related products and services (the ''Portfolio Companies'').

2. The investment objectives of each BDC are to (i) generate current cash flow for distribution to investors from the operation of the Portfolio Companies, and (ii) provide the opportunity for capital appreciation through the subsequent sale of the BDC's investments. Applicants request an order permitting the Funds to invest jointly in Portfolio Companies.

3. Power III raised approximately $40 million in an offering that was exempt from registration under the Securities Act of 1933 (the ''1933 Act'') pursuant to Regulation D thereunder. In order to