

annuities, pensions, death benefits, unemployment benefits, and sickness benefits that were made erroneously. An overpayment may be waived if the beneficiary was not at fault in causing the overpayment and recovery would cause financial hardship. The regulations for the recovery and waiver of erroneous payments are contained in 20 CFR parts 255 and 340.

The RRB utilizes Form G-423, Financial Disclosure Statement, to obtain information about the overpaid beneficiary's income, debts, and expenses if that person indicates that (s)he cannot make restitution for the overpayment. The information is used to determine if the overpayment should be waived as wholly or partially uncollectible. If waiver is denied, the information is used to determine the size and frequency of installment payments. The beneficiary is made aware of the overpayment by letter and is offered a variety of methods for recovery. One response is requested of each respondent. Completion is voluntary.

The RRB proposes to revise Form G-423 to include a request for information which would identify tangible and intangible property previously held by the beneficiary whose ownership was transferred to other parties in the last two years. Minor editorial changes are also being proposed to the Paperwork Reduction/Privacy Act notices utilized with Form G-423.

Estimate of Annual Respondent Burden

The estimated annual respondent burden is as follows:

Form No.(s)	Annual re-sponses	Time (min)	Burden (hrs)
G-423 ...	2,100	85	2,975

ADDITIONAL INFORMATION OR COMMENTS:

To request more information or to obtain a copy of the information collection justification, forms, and/or supporting material, please call the RRB Clearance Officer at (312) 751-3363. Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 N. Rush Street, Chicago, Illinois 60611-2092. Written comments should be received within 60 days of this notice.

Chuck Mierzwa,
Clearance Officer.

[FR Doc. 96-4108 Filed 2-22-96; 8:45 am]

BILLING CODE 7905-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-26472]

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

February 16, 1996.

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 March 11, 1996, 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 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.

Cinergy Corp. (70-8521)

Cinergy Corp., a registered holding company ("Cinergy"), 139 East Fourth Street, Cincinnati, Ohio 45202, has filed a post-effective amendment to its declaration previously filed under sections 6(a), 7, 32 and 33 of the Act and rule 53 thereunder.

By order dated January 11, 1995 (HCAR No. 26215) ("January 1995 Order"), the Commission authorized Cinergy to issue and sell from time to time through January 31, 1997, in an aggregate principal amount at any one time outstanding not to exceed \$375 million ("Aggregate Debt Limitation"), and within certain parameters set out in the Commission's order and Cinergy's declaration as amended, (1) unsecured short-term promissory notes to banks and other financial institutions, (2) commercial paper to commercial paper dealers and financial institutions, and

(3) unsecured demand promissory notes to banks evidencing Cinergy's reimbursement obligation in respect of letters of credit issued by such banks on Cinergy's behalf (such bank borrowings, commercial paper sales and letter of credit transactions being collectively referred to as "Short-Term Financings").

By order dated September 21, 1995 (HCAR No. 26376) ("September 1995 Order"), the Commission also authorized Cinergy and Investments to invest the proceeds of the Short-Term Financings in certain special purpose subsidiaries ("Intermediate Subsidiaries"). Under the terms of that order, the Intermediate Subsidiaries were authorized exclusively to acquire and hold, directly or indirectly, securities of, and/or provide services to, exempt wholesale generators ("EWGs") and foreign utility companies ("FUCOs"). The September 1995 Order also provided that the aggregate outstanding principal amount of such investments would not at any time exceed \$115 million (the "Investment Limitation"). The September 1995 Order further provided that any such investment would be made only if Cinergy's "aggregate investment" in all EWGs, FUCOs and Intermediate Subsidiaries, after giving effect to such investment, would not exceed 50% of Cinergy's "consolidated retained earnings," as each are defined in rule 53(a) under the Act ("50% Limit").

The Commission issued a notice on February 1, 1996 (HCAR No. 26467) of a post-effective amendment ("Amendment") to the application-declaration approved in the September 1995 Order. In that amendment, Cinergy and Investments seek, among other things to amend the Investment Limitation and make investments in Intermediate Subsidiaries subject only to the 50% Limit.

Cinergy now requests a supplemental order limited to modifying the January 1995 Order in the following respects. First, Cinergy proposes that the expiration date of the authorization period be extended from January 31, 1997 to December 31, 1999. Second, Cinergy requests authority to engage in Short-Term Financing Transactions in an aggregate principal amount at any time outstanding not to exceed \$1 billion.

Third, Cinergy requests authority to apply proceeds of Short-Term Financing Transactions, up to the full amount of the proposed increased Aggregate Debt Limitation noted above, to make direct and indirect investments in EWGs and FUCOs as well as in Intermediate Subsidiaries. Any such investment would be subject to the 50% Limit.

MCN Corporation (70-8731)

MCN Corporation ("MCN"), located at 500 Griswold Street, Detroit Michigan 48226, a Michigan public utility holding company exempt under section 3(a)(1) pursuant to rule 2 from all provisions of the Act except section 9(a)(2), has filed an application under sections 9(a)(2) and 10 of the Act.

MCN currently owns all of the issued and outstanding common stock of two public utility companies as defined in the Act: Michigan Consolidated Gas Company ("MichCon") and Citizens Gas Fuel Company ("Citizens"), both of which are organized and operate virtually exclusively in the state of Michigan.¹ MichCon is subject to regulation by the Michigan Public Service Commission ("Michigan PSC") with regard to rates and other corporate matters and Citizens is subject to regulation by the City of Adrian, Michigan with respect to rates and by the Michigan PSC with regard to other corporate matters.²

MCN requests authorization to acquire a 1% general partnership interest and a 46.5% limited partnership interest in Southern Missouri Gas Company, L.P. ("SMGC"), a Missouri limited partnership (the "Partnership") which will construct, own and operate a gas pipeline and distribution system (the "System") in southern Missouri.³

¹ MichCon is engaged in the distribution, transmission and storage of natural gas to approximately 1.1 million customers in Michigan and Citizens provides natural gas distribution services to the City of Adrian, Michigan. MichCon and Citizens provide retail gas distribution services primarily to residential and small volume commercial customers and transportation services to large volume commercial and industrial customers. MichCon also provides intrastate transportation services to other gas utilities, gas marketers and producers.

² MCN states that formal approval by the Michigan PSC of the proposed acquisition described below is not required under Michigan law but notes that the staff of the Michigan PSC has stated in a letter that it does not object to the acquisition.

³ The System is currently under construction and owned by Tartan Energy Company of Missouri, L.C., a Missouri limited liability company ("TEC"), which holds fifteen local franchises for providing natural gas service issued by the Missouri Public Service Commission ("MPSC"). These licenses were originally held by TEC's predecessor, Tartan Energy Company, L.C., ("Tartan's Predecessor Company") which was merged with and into TEC in accordance with an order of the MPSC dated September 29, 1995. Prior to the merger, Tartan's Predecessor Company obtained an order (the "MPSC April Order") from the MPSC authorizing an initial \$39 million of expenditures to develop the System to serve approximately 9,000 customers in ten of the franchised communities. Construction of the System to seven of the communities ("Phase One Construction") began in March 1995 and is expected to cost \$35 million. The MPSC also issued an order dated September 13, 1995 (the "MPSC September Order") authorizing expansion of the System to serve the five additional franchised

MCN states that it will make a capital contribution of up to \$10.6 million⁴ in return for its acquisition of a 47.5% aggregate interest in SMGC (the "Acquisition"). MCN will also provide credit support to the Partnership during construction of the System.⁵ The

communities. Construction of the System for these five communities and one of the original ten communities ("Phase Two Construction") is scheduled to begin in the spring of 1996 and is expected to cost \$8 million. MCN states that it is unable to predict when construction of the System for the final two franchised communities ("Phase Three Construction") will begin since it is contingent on planned highway construction which will be undertaken by unaffiliated third parties in the area where the Partnership intends to build the System for these two communities. Applicant states that, while the Partnership intends to construct the full System, it is possible that the highway construction may make it uneconomical to complete construction to the final two communities. Applicant currently estimates that the Phase Three Construction would cost \$3 million, and, in any event, would not exceed \$10 million.

The MPSC April Order authorizes a maximum of \$24 million in debt financing (plus interest during construction), with the financing being recourse to the System only. It also requires that at least \$15 million of construction funding be in the form of equity contributions from the project partners. The order calls for at least an initial \$8 million equity contribution by the project partners, followed by expenditure of up to \$24 million in debt financing and at least \$7 million in equity funding. It also specifies that the System must maintain a 40% equity ratio. Applicant states that MCN and Torch will equalize their equity contributions to the Partnership to \$8 million each in apportioning equity by the end of 1996. The MPSC September Order permits additional debt financing for the additional construction, and, like the MPSC April Order, requires that the System maintain a 40% equity ratio. The additional equity necessary to complete the Phase Two Construction while maintaining a 40% equity ratio is estimated to be \$1.2 million and will be contributed equally by MCN and Torch. Applicant estimates that an additional equity contribution of between \$600,000 and \$2 million from each of MCN and Torch would be required to complete the Phase Three Construction while maintaining a 40% equity ratio.

Applicant states that ownership of the System and its assets, along with the franchises held by TEC, will be transferred from TEC to the Partnership prior to consummation of the proposed acquisition described herein and that, upon such transfer, the terms of the MPSC April Order will be applicable to the Partnership. Ultimately, through a series of transactions involving the creation and dissolution of Tartan Limited Partnership of Missouri as an "Interim Entity," TEC will be merged with and into the Partnership, leaving the Partnership as the surviving entity, and the franchises currently held by TEC will be transferred to Tartan.

⁴ MCN states that the funds for its capital contribution will come from funds allocated to MCN's capital expenditure program for the appropriate fiscal year.

⁵ Specifically, in order to facilitate the initial debt financing of the Partnership, MCN has agreed to cause the Partnership to maintain a positive net worth and has agreed to provide the Partnership with funds (either as equity or a loan) if the Partnership is unable to make timely payments under its credit facility. MCN states that it does not expect that any payments will be required under this credit support arrangement, but notes that Torch has agreed to contribute to MCN 50% of any payments made by MCN thereunder.

remaining interests in SMGC will be owned by Tartan Management Company of Missouri, L.C. or its successors ("Tartan") which will acquire a 1% general partnership interest and a 4% limited partnership interest, and Torch Energy Marketing, Inc., a Delaware corporation, ("Torch"), or its successors, which will acquire a 47.5% limited partnership interest. MCN states that Tartan will make a capital contribution of 15 natural gas service franchises held in its name⁶ and Torch will make a capital contribution of up to \$10.6 million in return for their aggregate 52.5% in interests.⁷

Upon consummation of the Acquisition, SMGC will be a public utility subsidiary of MCN organized and operating exclusively in Missouri and subject to regulation by the Missouri Public Service Commission with regard to rates and other corporate matters. MCN anticipates that, when fully developed and providing service to all 15 franchised communities, the SMGC System will have over 300 miles of trunk pipeline and distribution piping serving over 10,000 customers in Missouri.

The Southern Company (70-8789)

The Southern Company ("Southern"), 270 Peachtree Street, N.W., Atlanta, Georgia 30303, a registered holding company, has filed a declaration under sections 6(a), 7, 32 and 33 of the Act and rules 42, 53 and 54 thereunder.

Southern proposes to issue and sell short-term and term-loan notes ("Notes") and commercial paper from time to time prior to April 1, 2001, in an aggregate principal amount at any time outstanding not to exceed \$2 billion.⁸

⁶ See footnote 3, above.

⁷ The terms of a partnership agreement among MCN, Tartan and Torch will provide that the limited partners will take no part in the management or control of SMGC's business and the general partners will have exclusive management and control of the business of the Partnership in accordance with the provisions of the Missouri Uniform Limited Partnership Act. Tartan will serve as operator of the SMGC System in accordance with the terms and conditions set forth in a construction and management agreement. Tartan has filed a Form U-3A-2 with the Commission to claim an exemption under section 3(a)(1) from all provisions of the Act except section 9(a)(2). Torch has submitted a no-action letter request to the Division of Investment Management asking the Division to state that it will not recommend enforcement action under the Act upon Torch's acquisition of a 47.5% limited partner interest in the SMGC Partnership.

⁸ Southern is currently authorized to issue and sell Notes and commercial paper in an aggregate principal amount at any one time outstanding of up to \$1 billion, from time to time prior to April 1, 2000. Holding Co. Act Release Nos. 26004 (Mar. 15, 1994) and 26346 (Aug. 1, 1995). These orders would be superseded by the authorization requested in this proceeding.

Borrowings would be made from one or more banks or other lending institutions and would be evidenced by Notes, dated as of the date of borrowing (or, in the case of a grid Note, as of the date of the initial borrowing), that would mature not more than seven years from the date of issue. The interest rate would be at the lender's prevailing rate offered to corporate borrowers of similar quality, which would not exceed the prime rate; the London Interbank Offered Rate plus up to $\frac{3}{4}$ of 1%; the lender's certificate of deposit rate plus up to 1%; or a rate, not in excess of the prime rate, established by bids obtained from lenders. Southern may pay commitment fees not exceeding $\frac{1}{2}$ of 1% of the unused portion of a lender's commitment, and may be required to maintain compensating balances with some lenders in lieu of fees. Notes may not be prepayable, or may be prepayable with payment of premiums not in excess of the stated interest rate on the Note.

Commercial paper would be sold directly by Southern to or through dealers, and would be issued in the form of promissory notes having varying maturities not in excess of nine months. Commercial paper would not be prepayable prior to maturity. The discount or interest rate per annum on commercial paper would not be in excess of the rate per annum prevailing at the date of issuance for commercial paper of comparable quality and maturity sold by issuers to commercial paper dealers. Southern may pay a commission not in excess of $\frac{1}{8}$ of 1% to dealers selling the commercial paper as principal. Dealers may reoffer commercial paper at a discount rate of up to $\frac{1}{8}$ of 1% per annum less than the prevailing discount rate to the issuer (or an equivalent rate if sold on an interest-bearing basis).

The net proceeds of the issuance of Notes and commercial paper would be used by Southern (a) to invest in subsidiaries in accordance with authorizations obtained in separate proceedings and/or in accordance with applicable exemptions, and (b) to make additional investments, directly or indirectly, in one or more exempt wholesale generators ("EWGs") and foreign utility companies ("FUCOs"), as defined in sections 32 and 33 of the Act; provided that the sum of (i) the outstanding amount of proceeds of the sale of Notes and/or commercial paper at any time invested by Southern in EWGs and FUCOs, (ii) the net proceeds of sales of new common stock used for the purpose of making such

investments,⁹ and (iii) the principal amount of any securities of any EWGs or FUCOs in respect of which Southern has provided a guarantee,¹⁰ when added to Southern's "aggregate investment" (as defined in rule 53) in all EWGs and FUCOs, shall not exceed, at any point in time, 50% of Southern's "consolidated retained earnings" (as defined in rule 53).¹¹ Southern states that the proposed increase in the amount of borrowings and commercial paper is required primarily to enable it to fund possible future investments in EWGs and FUCOs, subject to the above limitation as it may be modified.

Georgia Power Company (70-8795)

Georgia Power Company ("Georgia"), 333 Piedmont Avenue, N.E., Atlanta, Georgia 30308, an electric utility subsidiary company of The Southern Company, a registered holding company, has filed a declaration under sections 6(a), 7 and 12(d) of the Act and rules 42, 44, and 54, thereunder.

Georgia proposes to issue and sell from time-to-time, prior to January 1, 2003, short-term and/or term-loan notes to lenders, commercial paper to or through dealers and/or issue non-negotiable promissory notes to public entities for their revenue anticipation notes in an aggregate principal amount at any one time outstanding of up to \$1.7 billion.

Georgia states that any proposed borrowings may be, and any such borrowings in excess of its charter limits on short-term unsecured debt would be, secured by a subordinated lien on certain assets of Georgia. In no circumstances will Georgia have unsecured borrowings outstanding at any one time that exceed applicable charter limitations.

Georgia 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. Georgia proposes that any note

evidencing such borrowings may not be repayable, 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, which premium in the case of a note having a maturity of more than one year may thereafter decline to the date of the note's final maturity.

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: (1) LIBOR plus up to $\frac{3}{4}$ of 1%; (2) the lender's certificate of deposit rate plus up to 1%; or (3) a rate not to exceed the prime rate to be established by bids obtained from the lenders prior to a proposed borrowing. However, with respect to borrowings with a maturity in excess of one year, the rate will not exceed the yield for a comparable maturity Treasury note plus 1%. Compensation for the credit facilities may be provided by fees of up to $\frac{1}{2}$ of 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 may 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 may issue its non-negotiable promissory note therefor. 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. Georgia requests that the Commission reserve jurisdiction over short-term borrowings for this purpose, pending completion of the record.

Georgia also proposes to issue and sell commercial paper to or through dealers from time-to-time prior to January 1, 2003. Such commercial paper will be in the form of promissory notes with varying maturities not to exceed nine months. The commercial paper notes will be issued in denominations of not less than \$100,000 and will not by their terms be prepayable prior to maturity. Pursuant to prior Commission orders dated March 31, 1992, November 30,

⁹ These sales of common stock are authorized in Holding Co. Act Release Nos. 26349 (Aug. 3, 1995) and 26347 (Aug. 2, 1995).

¹⁰ These guarantees are authorized in Holding Co. Act Release No. 26468 (Feb. 2, 1996).

¹¹ Southern has requested authorization in File No. 70-8725 to increase this limitation to 100% of its consolidated retained earnings. If granted, this increased limitation would apply to the financing authorization in this proceeding.

1993, February 16, 1994 and August 2, 1995 (HCAR Nos. 25507, 25932, 25989, and 26348, respectively), Georgia may effect short-term borrowings through April 1, 1996 ("Prior Authority"). Georgia proposes that the authorization sought in this matter would supersede and replace, with respect to Georgia, the Prior Authority effective immediately upon the date of the Commission's order.

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.

Mississippi Power Company (70-8797)

Mississippi Power Company ("Mississippi"), 2992 West Beach, Gulfport, Mississippi 39501, an electric utility wholly owned subsidiary company of The Southern Company, a registered holding company, has filed a declaration under sections 6(a), 7 and 12(d) of the Act and rules 42, 44, and 54 thereunder.

Mississippi proposes to issue and sell from time-to-time, prior to January 1, 2003, short-term and/or term-loan notes to lenders, commercial paper to or through dealers and/or issue non-negotiable promissory notes to public entities for their revenue anticipation notes in an aggregate principal amount at any one time outstanding of up to \$350 million.

Mississippi states that any proposed borrowings may be, and any such borrowings in excess of its charter limits on short-term unsecured debt would be, secured by a subordinated lien on certain assets of Mississippi. In no circumstances will Mississippi have unsecured borrowings outstanding at any one time that exceed applicable charter limitations.

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, which premium in the case of a note having a maturity of more than one year may thereafter decline to the date of the note's final maturity.

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: (1) LIBOR plus up to $\frac{3}{4}$ of 1%; (2) the lender's certificate of deposit rate plus up to 1%; or (3) a rate not to exceed the prime rate to be established by bids obtained from the lenders prior to a proposed borrowing. However, with respect to borrowings with a maturity in excess of one year, the rate will not exceed the yield for a comparable maturity Treasury note plus 1%. Compensation for the credit facilities may be provided by fees of up to $\frac{1}{2}$ of 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 may 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 Mississippi the proceeds of the sale of the revenue bond anticipation notes, having a maturity of not more than one year after date of issue, and Mississippi may issue its non-negotiable promissory note therefor. The 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. Mississippi requests that the Commission reserve jurisdiction over short-term borrowings for this purpose, pending completion of the record.

Mississippi also proposes to issue and sell commercial paper to or through dealers from time-to-time prior to January 1, 2003. Such commercial paper will be in the form of promissory notes with varying maturities not to exceed nine months. The commercial paper notes will be issued in denominations of not less than \$50,000 and will not by their terms be prepayable prior to maturity.

Pursuant to prior Commission orders dated March 31, 1992, November 30,

1993, February 16, 1994 and August 2, 1995 (HCAR Nos. 25507, 25932, 25989, and 26348, respectively), Mississippi may effect short-term borrowings through April 1, 1996 ("Prior Authority"). Mississippi proposes that the authorization sought in this matter would supersede and replace, with respect to Mississippi, the Prior Authority effective immediately upon the date of the Commission's order.

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.

Savannah Electric and Power Company (70-8799)

Savannah Electric and Power Company ("Savannah"), 600 East Bay Street, Savannah, Georgia 31401, an electric utility subsidiary company of The Southern Company, a registered holding company, has filed a declaration under sections 6(a), 7 and 12(d) of the Act and rules 42, 44, and 54 thereunder.

Savannah proposes to issue and sell from time-to-time, prior to January 1, 2003, short-term and/or term-loan notes to lenders, commercial paper to or through dealers and/or issue nonnegotiable promissory notes to public entities for their revenue anticipation notes in an aggregate principal amount at any one time outstanding of up to \$90 million.

Savannah states that any proposed borrowings may be, and any such borrowings in excess of its charter limits on short-term unsecured debt would be, secured by a subordinated lien on certain assets of Savannah. In no circumstances will Savannah have unsecured borrowings outstanding at any one time that exceed applicable charter limitations.

Savannah proposes to borrow from certain banks or other lending institutions. Such 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. Savannah proposes that any note

