

in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Applicants request an order under sections 6(c) and 17(b) exempting them from section 17(a), and pursuant to section 17(d) and rule 17d-1, to permit the Proposed Transfers of CIF assets.

5. Applicants believe that the terms of the Proposed Transfers will be reasonable and fair to all of the Plans and to the shareholders of the Funds, do not involve overreaching on the part of any person, and will be consistent with the provisions, policies, and purposes of the Act. The Proposed Transfers will comply with rule 17a-7 under the Act in most respects, and also will comply with the policy behind the conditions set forth in rule 17a-8. Rule 17a-7 exempts certain purchase and sale transactions otherwise prohibited by section 17(a) if, among other requirements, the transactions are effected at an "independent market price" and the investment company's Board of Directors reviews the transactions for fairness. Rule 17a-8 exempts certain mergers and consolidations from section 17(a) if, among other requirements, the investment company's Board of Directors determines that the transactions are fair.

6. Applicants will comply with rules 17a-7 and 17a-8 to the extent possible, as stated in the conditions to the requested order. The investment objectives and policies of the Funds and CIFs will be substantially similar. Therefore, it will be consistent with the policies of the Funds to acquire securities that the Bank has previously purchased for the CIFs on the basis of substantially similar objectives and policies. Moreover, the Funds will have the opportunity to purchase the portfolio securities of the CIFs at the current market price and with lower transaction costs than would have been possible purchasing such securities in the open market.

#### **Applicants' Conditions**

Applicants agree that any order of the SEC granting the requested relief shall be subject to the following conditions:

1. The Proposed Transfers will comply with the terms of rule 17a-7(b) through (f).

2. The Proposed Transfers will not occur unless and until: (a) the Board of Directors of the Fund (including a majority of its disinterested directors) and the Committee or the Plans' second fiduciaries, as the case may be, find that the Proposed Transfers are in the best interests of the Fund and the Plans,

respectively; and (b) the Board of Directors of the Fund (including a majority of its disinterested directors) finds that the interests of the existing shareholders of the Fund will not be diluted as a result of the Proposed Transfers. These determinations and the basis upon which they are made will be recorded fully in the records of the Fund and the Plans, respectively.

3. In order to comply with the policies underlying rule 17a-8, any conversion will have to be approved by a Fund's Board of Directors and any unaffiliated Plan's second fiduciaries who would be required to find that the interests of beneficial owners would not be diluted.

For the SEC, by the Division of Investment Management, under delegated authority.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 95-14749 Filed 6-15-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 35-26304]

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

June 9, 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 July 3, 1995, to the Secretary, Securities and Exchange Commission, Washington, DC 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.

#### **The Southern Company, et al. (70-8505)**

The Southern Company ("Southern"), 64 Perimeter Center East, Atlanta, Georgia 30346, a registered holding company, and its nonutility subsidiary companies, Southern Electric International, Inc. ("Southern Electric") and Mobile Energy Services Holdings, Inc. ("Mobile Energy"), each of 900 Ashwood Parkway, Suite 500, Atlanta, Georgia 30338 (collectively, "Applicants") have filed a post-effective amendment under sections 6(a), 7, 9(a), 10, 12(b), 12(c) and 12(d) of the Act and rules 43, 45, 46 and 54 thereunder.

By order dated December 13, 1994 (HCAR No. 26185) ("December 1994 Order"), Southern was authorized to organize and acquire all of the common stock of Mobile Energy.<sup>1</sup> The December 1994 Order also authorized Mobile Energy to acquire the energy and recovery complex ("Energy Complex") at Scott Paper Company's ("Scott's") Mobile, Alabama paper and pulp mill.

At the acquisition closing, Mobile Energy purchased the Energy Complex from Scott and assumed Scott's obligations relating to \$85 million outstanding principal amount of variable-rate solid waste revenue refunding bonds due 2019 ("Tax-Exempt Bonds") issued by The Industrial Development Board of the City of Mobile, Alabama ("Board"). Southern funded the purchase price in part by making a \$190 million interim loan as evidenced by Mobile Energy's promissory note ("Interim Note").

Under the December 1994 Order, Mobile Energy was also authorized to enter into two separate interest rate swap agreements to hedge against adverse interest rate movements pending conversion or reissuance of the Tax-Exempt Bonds on a non-recourse basis<sup>2</sup> and the proposed sale of up to \$230 million of senior secured non-recourse notes of Mobile Energy. On December 19, 1994, Mobile Energy entered into two separate interest rate hedging agreements with Barclays Bank PLC.

Applicants now propose to change the ownership structure of the Energy Complex and the financing and credit support proposals described in the December 1994 Order.

<sup>1</sup> On May 17, 1995, Mobile Energy Services Company, Inc. changed its corporate name to Mobile Energy Services Holdings, Inc. Mobile Energy and Southern Electric have been added as applicants/declarants under this post-effective amendment.

<sup>2</sup> Under the December 1994 Order, Mobile Energy is authorized to enter into agreements with the Board pursuant to which the Board would issue a new series of fixed-rate Tax-Exempt Bonds, the proceeds of which would be applied to redeem the outstanding Tax-Exempt Bonds.