

acquiring options and rights, contract drafting and negotiating, preparing proposals and other necessary activities to identify and analyze feasible investment opportunities and to initiate the commercialization of a project. Administrative activities include ongoing personnel, accounting, engineering, legal, financial and other support activities necessary for Horizon to manage its development activities and investments in Domestic Power Projects.

Applicants proposed to acquire interests in, finance the acquisition of, and hold the securities of, one or more Intermediate Companies, without filing specific project applications or declarations, within the limitations set forth herein. Applicants request authority for Intermediate Companies to issue and acquire equity and debt securities, with or without recourse to the Applicants, to or from persons other than the Applicants including banks, insurance companies, and other financial institutions ("IC Debt Financing"), for the purpose of financing (including any refinancing of) investments in Exempt Projects.

The Intermediate Companies' investments in Exempt Projects may take the form of the issuance or acquisition of common stock, capital contributions, open account advances, other loans, or the borrowing of funds. Securities issued or acquired by Intermediate Companies may be issued or acquired in one or more transactions from time to time through December 31, 2001. Applicants propose that debt securities issued to persons other than the Applicants, or acquired by Intermediate Companies, may include secured and unsecured promissory notes, and other evidence of recourse and nonrecourse indebtedness.

Securities issued or acquired by Intermediate Companies may be denominated in either U.S. dollars or foreign currencies. The Applicant state that the amount and type of such securities, and the terms thereof, including (in the case of any indebtedness) interest rate, maturity, prepayment or redemption privileges, and the forms of any collateral security granted with respect thereto, would be negotiated on a case by case basis, taking into account differences from project to project in desirable debt-equity ratios, projections of earnings and cash flow, depreciation lives, and other similar financial and performance characteristics. Accordingly, the Applicants propose that they have the flexibility to negotiate the terms and conditions of such securities without further approval by the Commission.

Applicants also request authority to issue guarantees and assume liabilities for development activities in connection with the proposed Exempt Projects and Intermediate Companies up to the proposed Investment Limit. The Applicants further propose to obtain recourse and nonrecourse debt financing, from unaffiliated third parties to finance investments in Project Activities ("Debt Financing"). All outstanding Debt Financing, including IC Debt Financing, guaranteed by National, or having some other form of recourse to National ("Recourse Debt"), shall not, when aggregated with all other Investments, guarantees and assumed liabilities relating to Project Activities, exceed the Investment Limit at any time. National may charge a commercially reasonable rate for the provisions of such guarantees. Debt Financing not having recourse to National ("Nonrecourse Debt"), shall not constitute part of the proposed Investment Limit.

The term of any Recourse Debt will not exceed 40 years and its interest rate will not exceed 200 basis points over comparable U.S. Treasury securities in effect on the date of issue. The term of any Nonrecourse Debt will not exceed 40 years, and its interest rate (if payable in U.S. dollars) will not exceed 600 basis points over comparable U.S. Treasury securities in effect on the date of issue. If any Recourse Debt or Nonrecourse Debt is denominated in foreign currencies, the terms and interest rate will be commercially reasonable at the time of borrowing. Applicants or the Intermediate Companies may also pay commercially reasonable commitment and other fees with respect to Debt Financing.

Notwithstanding the foregoing, the Applicants state that no equity security having a stated par value would be issued or sold by an Intermediate Company for a consideration that is less than such par value; and that any note, bond or other evidence of indebtedness issued or sold by any Intermediate Company will mature not later than 40 years from the date of issuance thereof, and will bear interest at a rate not to exceed the following: (1) If such note, bond or other indebtedness is U.S. dollar denominated, at a fixed rate not to exceed 6.0% over the yield to maturity on an actively traded, non-callable, U.S. Treasury note having a maturity equal to the average life of such note, bond or other indebtedness, or at a floating rate not to exceed 6.0% over LIBOR from time to time; and (2) if such note, bond or other indebtedness is denominated in the currency of a country other than the United States, the terms and interest rate will be

commercially reasonable at the time of borrowing.

Horizon also proposes to participate directly or through Intermediate Companies in joint ventures with non-associates which joint ventures are exclusively in the business of researching investment opportunities in, and owning and developing, Exempt Projects. Horizon further requests authorization to acquire interests in Intermediate Companies prior to such Intermediate Companies acquiring their interests in Exempt Projects, provided that such Intermediate Companies engage and will engage exclusively in the business of investing in Exempt Projects.

Applicants request an exemption from section 13(b) under rule 83 of the Act, for any subsidiary company of National providing services to EWGs which derive no part of their income, directly or indirectly, from the generation of electric energy for sale within the United States, or FUCOs.

#### **Entergy Corporation, et al. 70-8653**

Entergy Corporation ("Entergy"), a registered holding company, and its wholly owned subsidiary companies, New Orleans Public Service Inc., Louisiana Power & Light Company, located at 639 Loyola Avenue, New Orleans, Louisiana 70113; Arkansas Power & Light Company, 425 West Capitol Avenue, Little Rock, Arkansas 72201; Gulf States Utilities Company, 350 Pine Street, Beaumont, Texas 77701; Mississippi Power & Light Company, 308 Pearl Street, Jackson, Mississippi 39215 (collectively, "System Operating Companies"); System Energy Resources, Inc. ("SERI"), 1340 Echelon Parkway, Jackson, Mississippi 39213; Entergy Services, Inc. ("ESI"), 639 Loyola Avenue, New Orleans, Louisiana 70113; Entergy Enterprises, Inc. ("EEI"), 900 South Shackleford Road, Little Rock, Arkansas 72211; and Entergy Systems and Service, Inc. ("SASI"), 4740 Shelby Drive, Suite 105, Memphis, Tennessee 38118, have filed an application-declaration under sections 6(a), 7, 9(a), 10, 12(b), and 13(b) of the Act and rules 43, 45, 54, 87, 90 and 91 thereunder.

Entergy proposes to organize a new subsidiary to be called Entergy Technologies Company ("ETC") and to provide funding to ETC, through December 31, 1998, up to an aggregate principal amount of \$100 million. Entergy proposes to incorporate ETC under Delaware law as a direct wholly owned subsidiary of EEI, with an authorized capital of up to 1,000 shares of common stock with a par value of \$.01 per share. EEI would subscribe to