proposes to include one-eighth of the sum of the River Transportation Division's annual expenditures, year-end undercollection, prepayments, materials and supplies inventories balances, less year-end current liabilities and accrual balances.

I&M proposes to adjust the capitalization ratio on an annual basis, using I&M's financial information as reported at December 31 of the preceding year. Similarly, the cost of debt and preferred stock would be updated to reflect the overall cost of debt and preferred stock at December 31 of the preceding year.

The rate changes resulting from this methodology would be applied for billing purposes to the 12-month period commencing on the April 1 subsequent to the applicable December 31 calculation. By adjusting the provision for the cost of capital, the cost of capital rate will be increased from the 8.82% currently authorized to 9.69%, thus increasing the fees charged by I&M. However, in the event the cost of debt or preferred stock or the return on common equity decreases, the capital rate will likewise decrease.

Northeast Utilities et al. (70–8080)

Northeast Utilities (''NU''), 174 Brush Hill Avenue, West Springfield, Massachusetts 01090–0010, a registered holding company, and its subsidiary service company, Northeast Utilities Service Company (''NUSCO''), Seldom Street, Berlin, Connecticut 06037, have filed a post-effective amendment under sections 6(a) and 7 of the Act and rule 54 thereunder to their application-declaration previously filed under sections 6(a), 7, 9(a), 10 and 12(c) of the Act and rules 42 and 50(a)(5) thereunder.

By order dated June 30, 1993 (HCAR No. 25842), NU was authorized to acquire, through NUSCO acting on behalf of NU from time-to-time prior to May 1, 2002, up to a total of 15,000 shares of NU's common stock, $5.00 par value (''Common'') on the open market. NU may transfer annually the Common to the non-employee trustees on NU's Board of Trustees as a portion of their compensation. Share compensation would be paid in addition to cash retainers and fees, and would be at a rate of 100 shares per year per outside trustee for 1993, subject to change in the future by Board of Trustees.

Because of changes to the trustee compensation program, NU now proposes to increase the number of shares of Common that it may issue and sell for non-employee trustee compensation, from time-to-time through April 30, 2005, from 15,000 shares to 50,000 shares. NUSCO will continue to acquire the Common on the open market on NU's behalf. However, because of revisions in rule 42(b) Nusco's acquisitions do not require the Commission's prior approval, under the circumstances of this matter (HCAR No. 26031, April 19, 1994).

Louisiana Power & Light Company (70–8487)

Louisiana Power & Light Company (''LP&L''), 639 Loyola Avenue, New Orleans, Louisiana 70113, 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) and 10 the Act and rule and 54 thereunder.

LP&L seeks authorization to issue and sell, directly or indirectly through a subsidiary, not more than $610 million principal amount of its first mortgage bonds (''Bonds''), debentures (''Debentures'') and securities of a subsidiary of LP&L (''Entity Interests'') to be issued in one or more new series from time to time no later than December 31, 1997.

LP&L proposes to organize either a special purpose limited partnership or a statutory business trust for the sole purpose of issuing the Entity Interests (''Issuing Entity''). LP&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 or common securities in such Issuing Entity. LP&L's equity contribution to the Issuing Entity will at all times constitute at least 3% of the aggregate equity contributions by all securityholders to such Issuing Entity.

LP&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 either, (1) Its general partner (in the case of a limited partnership) or (2) LP&L (in the case of a business trust), to purchase the Entity Subordinated Debentures. The distribution rates, payment dates, redemption, maturity, and other similar provisions of each series of Entity Interests will be substantially identical to such terms and conditions of the Entity Subordinated Debentures relating thereto, and will be determined by the Issuing Entity at the time of issuance. Each series of Entity Interests will have a $25 per share stated liquidation preference.

LP&L may also enter into a guaranty pursuant to which it will unconditionally guarantee, (1) payment of distributions on the Entity Interests, if the Leasing Entity has funds available, (2) payments to the holders of Entity Interests of amounts due upon liquidation of the Issuing Entity or redemption of the Entity Interest, and (3) certain additional amounts that may be payable in respect of the Entity Interests.

Each series of Bonds and/or each series of Debentures will be sold at such price, will bear interest at such rate, either fixed or adjustable, and will mature on such date as will be determined at the time of sale. LP&L may determine to provide an insurance policy for the payment of the principal of and/or interest and/or premium on one or more series of Bonds and/or one or more series of Debentures. The Bonds and/or Debentures and/or Entity Interests may include provisions for redemption or retirement prior to maturity, including restrictions on optional redemption for a given number of years.

LP&L further proposes to issue and sell, from time to time not later than December 31, 1997, one or more new series of its preferred stock, cumulative, of either $25 par value or $100 par value (collectively ''Preferred''). The total aggregate par value of shares of Preferred may not exceed $123.5 million. The price exclusive of accumulated dividends, and the dividend rate for each series of Preferred will be determined at the time of sale. LP&L may determine that the terms of the Preferred should provide for an adjustable dividend rate thereon to be determined on a periodic basis, subject to specified maximum and minimum rates, rather than a fixed dividend rate. The terms of the Preferred may include provisions for redemption, including restrictions on optional redemption, and/or a sinking fund designed to redeem all outstanding shares of a series not later than thirty years after the date of original issuance.

LP&L proposes to use the net proceeds derived from the issuance and sale of Bonds, Debentures, Entity Interests and/or the Preferred for general corporate purposes, including, but not limited to, the possible acquisition of certain outstanding securities.

LP&L states that it presently contemplates selling the Bonds, the Debentures, the Entity Interests and the Preferred either by competitive bidding, negotiated public offering or private placement.

LP&L also proposes to enter into arrangements to finance on a tax-exempt