

number given below, 5 working days prior to the meeting. A brief summary of the information to be presented and the time requested should be provided in order to make appropriate arrangements. Time allotted for presentations by members of the public will be determined based upon the number of requests received and will be announced at the beginning of the meeting. Time permitting, additional, unscheduled presentations will be considered. The order for public presentations will be on a first-received, first-to-speak basis. Written statements will also be accepted and included in the record of the meeting. Written statements may be mailed to the U.S. Nuclear Regulatory Commission, Mailstop O-10H5, Attn: J. H. Wilson, Washington, DC 20555 or presented at the meeting.

Requests for the opportunity to present information can be made by contacting J. H. Wilson, Project Manager, Division of Reactor Program Management at (301) 415-1108. Persons planning to attend this meeting are urged to contact the project manager 1 or 2 days prior to the meeting to be advised of any changes.

For further details with respect to this action, see the DOE's "Submittal of Tritium Producing Burnable Absorber Rod Lead Test Assembly Topical Report" dated December 3, 1996 and the staff's Request for Additional Information and Supplemental Request for Additional Information dated January 3 and 13, 1997, respectively, all of which are available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC.

Dated at Rockville, Maryland, this 21st day of January, 1997.

For the Nuclear Regulatory Commission.
Thomas T. Martin,
Director, Division of Reactor Program Management, Office of Nuclear Reactor Regulation.

[FR Doc. 97-1859 Filed 1-24-97; 8:45 am]

BILLING CODE 7590-01-P

RAILROAD RETIREMENT BOARD

Agency Forms Submitted for OMB Review

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the Railroad Retirement Board has submitted the following proposal(s) for the collection of information to the Office of Management and Budget for review and approval.

SUMMARY OF PROPOSAL(S):

- (1) *Collection title:* Repayment of Debt.
- (2) *Form(s) submitted:* G-421f.
- (3) *OMB Number:* 3220-0169.
- (4) *Expiration date of current OMB clearance:* February 28, 1997.
- (5) *Type of request:* Extension of a currently approved collection.
- (6) *Respondents:* Individuals or households.
- (7) *Estimated annual number of respondents:* 300.
- (8) *Total annual responses:* 300.
- (9) *Total annual reporting hours:* 25.
- (10) *Collection description:* Section 2 of the Railroad Retirement Act provides for payment of annuities to retired or disabled railroad employees, their spouses, and eligible survivors. When the RRB determines that an overpayment of RRA benefits has occurred, it initiates prompt action to notify the claimant of the overpayment and to recover the amount owed. The collection obtains information needed to allow for repayment by the claimant by credit card, in addition to the customary form of payment by check or money order.

ADDITIONAL INFORMATION OR COMMENTS: Copies of the form and supporting documents can be obtained from Chuck Mierzwa, the agency clearance officer (312-751-3363). Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092 and the OMB reviewer, Laura Oliven (202-395-7316), Office of Management and Budget, Room 10230, New Executive Office Building, Washington, D.C. 20503.

Chuck Mierzwa,

Clearance Officer.

[FR Doc. 97-1912 Filed 1-24-97; 8:45 am]

BILLING CODE 7905-01-M

Sunshine Act Meeting

The meeting of the Railroad Retirement Board which was to be held on January 22, 1997, 9:00 a.m., at the Board's meeting room on the 8th floor of its headquarters building, 844 North Rush Street, Chicago, Illinois, 60611, has been rescheduled to January 29, 1997, at 9:00 a.m. The agenda for this meeting was published at FR 1139 on January 8, 1997.

The entire meeting will be open to the public. The person to contact for more information is Beatrice Ezerski, Secretary to the Board, Phone No. 312-751-4920.

Dated: January 22, 1997.

Beatrice Ezerski,

Secretary to the Board.

[FR Doc. 97-1998 Filed 1-23-97; 11:03 am]

BILLING CODE 7905-01-M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No: IC-22474; 812-10230]

Principal Mutual Life Insurance Company, et al.

January 17, 1997.

AGENCY: Securities and Exchange Commission ("Commission").

ACTION: Notice of application for an order pursuant to the Investment Company Act of 1940 ("1940 Act").

APPLICANTS: Principal Mutual Life Insurance Company ("Principal Mutual"), Principal Mutual Life Insurance Company Variable Life Separate Account ("Account") and Princor Financial Services Corporation ("Princor").

RELEVANT 1940 ACT SECTIONS: Order requested under Section 11(a) of the 1940 Act.

SUMMARY OF APPLICATION: Applicants request an order under Section 11(a) of the 1940 Act approving an exchange offer in which certain variable universal life insurance policies issued by Principal Mutual and offered through the Account ("Old Policies") may be exchanged for new variable universal life insurance policies issued by Principal Mutual and offered through the Account ("New Policies," collectively with Old Policies, "Policies").

FILING DATE: The application was filed on July 1, 1996, and amended on December 20, 1996.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Secretary of the Commission and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on February 12, 1997, and should be accompanied by proof of service on Applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the requester's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Secretary of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street,

N.W., Washington, D.C. 20549. Applicants, David J. Brown, Esq., The Principal Financial Group, Des Moines, Iowa 50392-0200.

FOR FURTHER INFORMATION CONTACT: Pamela K. Ellis, Senior Counsel, or Kevin M. Kirchoff, Branch Chief, Office of Insurance Products (Division of Investment Management), at (202) 942-0670.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application is available for a fee from the Public Reference Branch of the Commission.

Applicants' Representations

1. Principal Mutual, a mutual life insurance company incorporated in Iowa, is authorized to do business in the 50 states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Canadian Provinces of Alberta, British Columbia, Manitoba, Ontario, and Quebec.

2. The Account, a separate account of Principal Mutual, is registered under the 1940 Act as a unit investment trust.

3. Princor, the principal underwriter for the Policies, is an indirect wholly owned subsidiary of Principal Mutual. Princor is registered with the Commission under the Securities Exchange Act of 1934 as a broker-dealer, and is a member of the National Association of Securities Dealers, Inc.

Old Policies

4. The Old Policies are flexible-premium life insurance policies that permit accumulation of policy values on a variable basis. The Old Policies require premium payments to be made in at least a specified amount for the first policy year, and have a minimum face amount of \$25,000. An Old Policy matures on the policy anniversary following the 95th birthday of the insured.

5. Policy values of the Old Policies currently may be allocated to six divisions of the Account, each of which invests in an underlying fund sponsored by Principal Mutual. Policy values may be transferred among the six divisions of the Account, the first four transfers in a policy year at no charge, and additional transfers subject to a charge of \$25 per transfer (with all transfers occurring on the same effective date counting as one transfer).

6. The Old Policies permit partial surrenders and policy loans. Interest payable on policy loans is 8%; interest credited on loan accounts established in connection with outstanding loans is 6%.

7. The Old Policies offer a choice of two death benefit options; a level death benefit equal to the Old Policy's face amount, or a death benefit equal to the face amount plus policy value.

8. The Old Policies have both a front-end sales load and a contingent deferred sales load ("CDSL"). The front-end sales load is 5.00% of all premiums paid under an Old Policy. A surrender charge consisting of a CDSL and a contingent deferred acquisition charge ("CDAC") is deducted upon surrender of an Old Policy. These surrender charges vary with the issue age, duration since issue, and, where allowed by law, the gender of the insured.

9. The maximum CDSL under the Old Policies is not greater than 25% of the minimum payment required in the first year (which is always less than a Guideline Annual Premium, as defined in Rule 6e-3(T)(c)(8) under the 1940 Act). The CDAC varies from \$0.43 per \$1,000 of face amount to \$10.58 per \$1,000 of face amount according to tables set forth in the Old Policy.

Additional CDAC and CDSL charges are computed upon increases in face amount. The surrender charges apply only at the time of a full surrender or lapse of an Old Policy. There is a charge of the lesser of \$25 or 2% of the amount surrendered for processing partial surrenders under the Old Policy. The amount of the surrender charges decreases over time according to when the surrender or lapse occurs, according to the following schedule:

Surrender year	Surrender charge percentage
1-3	100.0
4	87.5
5	75.0
6	62.5
7	50.0
8	37.5
9	25.0
10	12.5
11 or more	0.0

10. An amount equal to 2.00% of premiums received under the Old Policies is deducted for state premium tax obligations of Principal Mutual in connection with receipt of premiums under the Old Policies.

11. A charge is deducted from the policy value of each Old Policy monthly for administration of the Old Policies. This charge currently is \$4.75 per month, and is guaranteed not to be more than \$5.00 per month.

12. Under the Old Policies, a mortality and expense risks charge is deducted from the Account daily at an annual rate of 0.75% of average daily

Account value (guaranteed not to exceed 0.90%).

13. A cost of insurance charge that is guaranteed to be no more than that permitted under the applicable 1980 Commissioners Standard Ordinary Mortality Table ("1980 CSO Table") is deducted from policy value each month.

14. Several optional insurance riders are offered by Principal Mutual in connection with the Old Policies. Among these are riders providing for: (i) Increases in face amount every three years based upon cost of living increases; (ii) waiver of monthly deductions in the event of disability of the insured; (iii) optional increases in face amount upon certain dates or the occurrence of certain events; (iv) accidental death benefit; (v) term insurance on the lives of insured children; (vi) term insurance on an insured spouse; (vii) change of the person insured; (viii) accelerated death benefit; and (ix) a death benefit guarantee.

New Policies

15. The New Policies are flexible-premium life insurance policies that permit accumulation of policy values on a variable, fixed, or combination of variable and fixed basis. The New Policies require premium payments to be made in at least a specified amount for the first 24 policy months (where permitted by state law), and have a minimum face amount of \$50,000. The New Policies mature on the policy anniversary following the 95th birthday of the insured.

16. Policy values of the New Policies currently may be allocated to divisions of the Account that invest in thirteen different underlying funds—ten mutual funds sponsored by Principal Mutual, two investment portfolios of Fidelity Variable Insurance Products Fund, and one investment portfolio of Fidelity Variable Insurance Products Fund II.

17. Policy values may also be accumulated on a guaranteed basis by allocation to Principal Mutual's general account ("Fixed Account"). Interest on accounts invested in the Fixed Account is guaranteed to be at least 3% on an annual basis.

18. Policy values may be transferred among the divisions of the Account without charge, although Principal Mutual reserves the right to impose a charge of up to \$25 per transfer on unscheduled transfers in excess of 12 in a policy year. Transfers to and from the Fixed Account are permitted, subject to certain restrictions described in the prospectus for the New Policies.

19. The New Policies permit partial surrenders and policy loans. Interest

payable on policy loans is 8%; interest credited on loan accounts established in connection with outstanding loans is 6% during the first ten policy years and 7.75% thereafter.

20. The New Policies offer a choice of two death benefit options: a level death benefit equal to the New Policy's face amount, or a death benefit equal to the face amount plus policy value.

21. The New Policies have both a front-end sales load and a CDSL. The front-end sales load is 2.75% of: (a) premiums paid during each of the first ten policy years up to one "target premium" for the initial face amount of insurance; and (b) premiums up to the target premium for an incremental amount of insurance added by a face amount increase ("incremental target premium") paid during each of the first ten policy years after a face amount increase that are allocable to the increase. Payments after an increase in face amount are allocated between the "base policy" and the "incremental policy" that is added by increase according to the relative face amounts of the base policy and the incremental policy. Payments in any policy year in the first ten policy years in excess of the target premium (or payments in the first ten policy years after a face amount increase that are allocable to the increase in face amount and are in excess of the incremental target premium) are assessed a front-end sales load of 0.75%. Payments made after ten policy years (if there has been no face amount increase), or ten policy years after a face amount increase, are not subject to a front-end sales charge.

22. A surrender charge consisting of the CDSL and a CDAC is deducted upon surrender of a New Policy. The maximum CDAC is \$3 per \$1,000 for the first \$500,000 of face amount. The maximum CDSL is 47.25% of the first two target premiums received (and the first two target premiums received for any incremental amount of insurance coverage added by an increase in face amount) for insureds under age 66. If the insured is older than 65 at the Policy Date or the date of a face amount increase, then the number of target premiums to which this charge applies is reduced from two to: (a) 1.5 for ages 66-70; (b) 1.1 for ages 71-75; (c) 0.8 for ages 76-80; or (d) 0.5 for ages 81-85. The surrender charges apply only at the time of a full surrender or lapse of a New Policy. There is a charge of the lesser of \$25 or 2% of the amount surrendered for processing partial surrenders. The amount of the surrender charge decreases over time according to when the surrender or lapse occurs, according to the following schedule:

Surrender year	Surrender charge percentage
1-5	100.00
6	95.24
7	85.71
8	71.43
9	52.38
10	28.57
11 or more	0.0

23. The amount of the CDSL that applies in the event of a surrender or lapse in the first two policy years generally will be limited as a result of "refund rights" required by paragraph (b)(13)(v)(A) of Rule 6e-3(T). In the event of such a surrender or lapse, the CDSL will be limited to an amount that would cause the total sales load (sales load deducted from premiums plus the CDSL) paid in connection with premiums paid up to the first two guideline annual premiums not to exceed the sum of: (i) 30% of the premiums paid up to the lesser of one guideline annual premium or the maximum amount of premiums subject to the deferred sales charge; plus (ii) 10% of the premiums paid in excess of one guideline annual premium, up to the lesser of two guideline annual premiums or the maximum amount of premiums subject to the deferred sales charge.

24. Charges are deducted from premium payments under the New Policies for state, local, and federal taxes. An amount equal to 2.20% of premiums received under the New Policies is deducted for state and local premium tax obligations of Principal Mutual in connection with receipt of premiums under the New Policies, and 1.25% is deducted for Principal Mutual's increased federal income tax obligations because it must amortize a portion of its expenses in offering the Policies over ten years for federal income tax purposes.

25. A charge for administration of the New Policies is deducted monthly from the policy value of each New Policy. For the first policy year, this charge currently is \$0.40 per \$1,000 of face amount up to \$500,000, and is guaranteed to be no more than \$0.60 per \$1,000 of face amount up to \$500,000. The current minimum monthly administration charge in the first policy year is \$6.00, and is guaranteed to be no more than \$16.67. After the first policy year, the monthly administration charge currently is \$6.00 and is guaranteed to be no more than \$10.00.

26. A cost of insurance charge that is guaranteed to be no more than that permitted under the applicable 1980

CSO Table is deducted from policy value each month.

27. For the first nine policy years, a mortality and expense risks charge is deducted from policy value monthly at an annual rate of 0.90% of the value of the amount of policy value allocated to the divisions. After the ninth policy year, the mortality and expense risks charge will be reduced to a 0.27% annual rate. Principal Mutual reserves the right to increase the 0.27% charge to as much as 0.90%, but only for Policies issued on or after the date of such an increase and not for Policies already in force at the time of the increase. Thus, a New Policy acquired in an exchange that had the reduction to 0.27% would not be subject to any subsequent increase.

28. Several optional insurance riders are offered by Principal Mutual in connection with the New Policies. Among these riders are three that permit face amount increases without new evidence of insurability, and accounting benefit riders that are designed to minimize the adverse impact on the earnings of a business that purchases a New Policy that would otherwise result under generally accepted accounting principles.

Offer of Exchange

29. Applicants represent that the offer to exchange Old Policies for New Policies will be made by providing owners or Old Policies a prospectus for the New Policies, accompanied by a letter explaining the offer and a piece of sales literature that compares the two Policies. The offering letter will advise the Old Policy owner that personalized illustrations comparing the two Policies using the information particular to that Policy owner will be available without cost upon request.

30. Applicants state that the exchange offer (which will remain open for at least one year) will provide that, upon acceptance of the offer, a New Policy will be issued with the same face amount and policy value as the Old Policy surrendered in the exchange.

31. The risk class for a New Policy acquired by exchange will be that most similar to the risk class for the exchanged Old Policy. If an Old Policy includes a face amount increase at a risk class less favorable than that for the Old Policy as originally issued, then the New Policy will be issued at the risk class most similar to that for the Old Policy as originally issued. Applicants represent that new evidence of insurability will not be required as a condition of the exchange unless: (i) The Policy owner requests one or more of certain optional insurance riders

under the New Policy that were not a part of the Old Policy; (ii) the Policy owner applies to have the insured's rating upgraded to the "preferred" rating that is offered under the New Policies but not under the Old Policies; or (iii) the Policy owner requests a face amount increase at the time of the exchange. The New Policy's \$50,000 minimum face amount increase will be reduced to \$25,000 for increases requested at the time of the exchange. If new underwriting is required as part of the exchange for reason number (ii) above, a charge of \$100 normally would be imposed. If the Policy owner also requests a face amount increase of \$25,000 or more at the time of the exchange, however, the \$100 charge for the new underwriting will be waived. Any increase in face amount, upgrade to a preferred rating, and any new rider added in connection with an exchange will take effect on the next date that monthly charges are deducted under the New Policy after the new underwriting is completed.

32. Applicants represent that no surrender charge will be deducted upon the surrender of an Old Policy in connection with an exchange, and no front-end sales load will be deducted from the proceeds of that surrender when those proceeds are applied to the purchase of a New Policy as part of an exchange. If the policy date of the Old Policy is the same day of the month as the policy date of the New Policy, then surrender charges and front-end sales loads on subsequent premium payments for the New Policy will be calculated as if the policy date of the Old Policy were also the policy date of the New Policy. If the policy date of the Old Policy is on a day of the month different from the policy date of the New Policy, then surrender charges and front-end loads on subsequent premium payments for the New Policy will be calculated as if the monthly date (the day of the month which is the same as the day of the policy date) of the New Policy that would have immediately preceded the policy date of the Old Policy were the policy date of the New Policy ("Adjusted Policy Date"). If an Old Policy includes one or more face amount increases, the surrender charge and front-end loads of a New Policy acquired in the exchange will be calculated using the Adjusted Policy Date as if the Adjusted Policy Date had been the effective date of each face amount increase under the Old Policy. Any commissions paid to sales representative for sales of New Policies by means of the exchange offer will be

paid by Principal Mutual or Princor (and not by policy owners).

33. Optional insurance riders attached to an Old Policy surrendered in an exchange will be eligible to be included with the New Policy acquired in the exchange only if that rider (or a substantially equivalent rider) is available under the New Policies.

34. Applicants state that certain restrictions of the New Policies will be waived in connection with New Policies acquired in exchange for Old Policies. The \$50,000 minimum face amount of the New Policies will be waived for New Policies acquired in exchange for an Old Policy with less than that face amount. There will be no minimum required premium payment for New Policies so acquired (even if the Old Policy exchanged was in its first two policy years).

35. Loans under an Old Policy must be repaid in cash or by means of a partial surrender prior to the exchange. Any letters to Old Policy owners describing the exchange offer will include the fact that loans must be repaid prior to the exchange and disclosure that repayment of a loan by means of a partial surrender could have adverse tax consequences to the Old Policy owner. Principal Mutual represents that it will waive the partial surrender charge that would otherwise be applicable to a partial surrender made in connection with accepting the exchange offer and that is used solely to pay off an outstanding loan.

36. Applicants represent that the suicide clause, incontestability, and free time periods of the Old Policy will apply to the New Policy acquired in an exchange. That is, no new suicide clause, incontestability, or free look time periods will commence at the time of the exchange, and any such periods for the Old Policy that had not expired at the time of the exchange would carry over to the New Policy and would expire when they would have expired had no exchange taken place.

Applicants' Legal Analysis

1. Section 11(a) of the 1940 Act makes it unlawful for any registered open-end company, or any principal underwriter for such a company, to make or cause to be made an offer to the holder of a security of such company, or of any other open-end investment company, to exchange his security for a security in the same or another such company on any basis other than the relative net asset values of the respective securities, unless the terms of the offer have first been submitted to and approved by the Commission or are in accordance with

Commission rules adopted under Section 11.

2. Section 11(c) of the 1940 Act, in pertinent part, requires, in effect, that any offer of exchange of the securities of a registered unit investment trust for the securities of any other investment company be approved by the Commission or satisfy applicable rules adopted under Section 11, regardless of the basis of the exchange.

3. The Account is registered under the 1940 Act as a unit investment trust. Accordingly, the proposed exchange offer constitutes an offer of exchange of two securities, each of which is offered by a registered unit investment trust. Thus, unless the terms of the exchange offer are consistent with those permitted by Commission rule, Applicants may make the proposed exchange offer only after the Commission has approved the terms of the offer by an order pursuant to Section 11(a) of the 1940 Act.

4. Applicants assert that the legislative history of Section 11 of the 1940 Act and the rules thereunder demonstrates that its purpose is to prevent the practice of inducing security holders of one investment company to exchange their securities for those of a different investment company solely for the purpose of exacting additional selling charges, a practice found by Congress to be widespread in the 1930's prior to adoption of the 1940 Act. Applications under Section 11(a) and orders granting those applications appropriately have focused on sales loads or sales load differentials and administrative fees to be imposed for effecting a proposed exchange.

5. Rule 11a-2, adopted under Section 11 of the 1940 Act, provides blanket Commission approval of certain types of offers of exchange of one variable annuity contract for another, or of one variable life insurance contract for another. Applicants believe that there is language in the Commission's release adopting the rule that suggests that the rule may have been intended to permit exchanges of funding options within a single variable life insurance policy but not the exchange of one such policy for another.

6. Under Rule 11a-2, variable life insurance exchanges may vary from relative net asset exchanges only by reason of disclosed administrative fees, no sale loads or sales load differentials are permitted under the rule for such exchanges. Because both the Old and New Policies have both front-end and contingent deferred sales loads, Rule 11a-2 would be unavailable to the proposed exchanges, even if such policy-for-policy exchanges otherwise would be permitted under Rule 11a-2.

7. Adoption of Rule 11a-3 represents the most recent Commission action under Section 11 of the 1940 Act. As with Rule 11a-2, the focus of the Rule is primarily on sales or administrative charges that would be incurred by investors for effecting exchanges. Applicants assert that the terms of the proposed offer are consistent with Rule 11a-3 because no additional sales charges will be incurred as a result of the exchange and no administrative fees will be charged to effect the exchange. Because the investment company involved in the proposed exchange offer is a separate account, and because it is organized as a unit investment trust rather than as a management investment trust, Applicants believe that they may not rely upon Rule 11a-3.

8. Applicants assert that the terms of the proposed exchange do not present the abuses against which Section 11 was intended to protect. No additional sales load or other fee will be imposed at the time of exchange other than the \$100 that may be imposed in connection with new underwriting needed for: (i) Certain optional insurance riders; (ii) an upgrade to a preferred rating class; or (iii) a face amount increase.

9. The policy value and death benefit of a New Policy acquired in the proposed exchange will be precisely the same immediately after the exchange as that of the Old Policy exchanged immediately prior to the exchange. Accordingly, Applicants assert that the exchanges, in effect, will be relative net asset value exchanges that would be permitted under Section 11(a) if the Account were registered as a management investment company rather than as a unit investment trust.

10. The description of the proposed exchange offer in letters to Old Policy owners and in the New Policy's prospectus will provide full disclosure of the material differences in the two policies. Those letters, and any other sales literature used in connection with the exchange offer, will have been filed with the National Association of Securities Dealers, Inc. for review. Each Old Policy owner will be offered personalized hypothetical illustrations that compare the Old and New Policies. Applicants assert that, assuming no premature surrender, the New Policies should be less expensive than the Old Policies for many, if not most, Policy owners. Applicants believe that the disclosure provided and the illustrations provided upon request provide Old Policy owners with sufficient information to determine which Policy they prefer.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-1821 Filed 1-24-97; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 35-26648]

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

January 17, 1997.

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 February 10, 1997, 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.

Gulf Power Co. (70-8949)

Gulf Power Company ("Gulf"), 500 Bayfront Parkway, Pensacola, Florida, 32501, an electric public utility subsidiary company of The Southern company, a registered holding company, has filed an application-declaration under sections 6(a), 7, 9(a) and 10 of the Act and rule 54 thereunder.

Gulf proposes to incur obligations, from time to time through December 31, 2003, in connection with the issuance and sale by public instrumentalities of one or more series of pollution control revenue bonds ("Revenue Bonds") in an aggregate principal amount of up to \$200 million.

Gulf also proposes to issue and sell, through December 31, 2003, one or more series of its first mortgage bonds ("Bonds"), to mature in more than 40 years, and one or more series of preferred stock ("Stock"), in an aggregate amount of up to \$400 million in any combination of issuance.

The Revenue Bonds would be issued to finance or reference air and water pollution control facilities and sewage and solid waste disposal facilities at electric power plants or other installations. Each county or other public instrumentality ("County") with a plant or installation within its jurisdiction would issue Revenue bonds to finance or refinance the pollution control or waste disposal facilities associated with that plant or installation ("Project").

The Revenue Bonds would mature within forty years of issuance and could involve a mandatory redemption sinking fund calculated to retire a portion of the aggregate principal amount of the Revenue Bonds prior to maturation.

Gulf would enter into a Loan or Installment Sale Agreement with each County ("Agreement") for each issue of the Revenue Bonds. Gulf would issue a note ("Note") therefore or the County would undertake to purchase and sell the related Project to Gulf. The proceeds from the sale of the Revenue Bonds would be deposited with a trustee ("Trustee") under an indenture ("Trust Indenture") and would be used by Gulf for payment of the cost of construction of the Project or to refund outstanding pollution control revenue obligations.

The Trust Indenture and the Agreement would give the holders of the Revenue Bonds the right, when the Revenue Bonds bear interest at a fluctuating rate, to require Gulf to purchase the Revenue Bonds. Arrangements could be made to remarket the Revenue Bonds. Gulf also could be required to purchase the Revenue Bonds, or the Revenue Bonds could be subject to mandatory redemption, if the interest thereon is determined to be subject to federal income tax, in which case interest on the Revenue Bonds also could be converted to an increased variable or fixed rate. Gulf also could be required to indemnify the holders against other additions to interest, penalties and additions to tax.

To obtain ratings for the Revenue Bonds equal to the rating of first mortgage bonds outstanding under a September 1, 1941 indenture between Gulf and The Chase Manhattan Bank ("Mortgage"), Gulf could secure its obligations under the Note and/or