

SECURITIES AND EXCHANGE COMMISSION

(Release No. 35-27993; 70-10293)

Order Authorizing the Issuance and Sale of Securities, Acquisition of Securities, and Provision of Guarantees; Reservation of Jurisdiction

The Southern Company, et al.

June 30, 2005

The Southern Company (“Southern”), a registered holding company, and its wholly owned public-utility company subsidiary Southern Power Company (“Southern Power”), both of Atlanta, Georgia, have filed with the Securities and Exchange Commission (“Commission”) an application-declaration (“Application”) under sections 6(a), 7, 9(a), 10, 12(b) and 12(f) of the Public Utility Holding Company Act of 1935, as amended (“Act”) and rules 43, 44, 45 and 54 under the Act. Notice of the Application was issued on June 2, 2005 (HCAR No. 27981), and no request for hearing was received.

I. Background

By order dated December 27, 2000 (HCAR No. 27322, “Prior Order”), the Commission authorized the formation of Southern Power. Southern Power is an electric utility company that constructs, owns and manages electric generation facilities and sells the output, under long-term contracts, to affiliated public-utility companies and unaffiliated wholesale purchasers. Accordingly, Southern Power is subject to regulation by the Federal Energy Regulatory Commission but is not regulated by any State commission. Currently, the securities issued by Southern Power are rated as follows: unsecured debt: rated Baa1 by Moody’s, BBB+ by Standard & Poors (“S&P”), and BBB+ by Fitch; and commercial paper: rated P-2 by Moody’s, A-2 by S&P, and F-2 by Fitch.

By the Prior Order, the Commission also authorized Southern to fund Southern Power in an aggregate amount not to exceed \$1.7 million, to obtain independent financing in an aggregate amount not to exceed \$2.5 billion, the proceeds of which were to be used to, among other things, invest in exempt wholesale generators (“EWGs”). As discussed below, by the Application, Southern and Southern Power (together, “Applicants”) request a modification and extension of Southern Power’s financing authority.

II. Requests for Authority

As discussed below, Applicants seek authority for Southern to provide financial support to Southern Power, its public-utility company subsidiary, and for Southern Power to issue securities and enter into certain financial transactions on behalf of itself and its subsidiaries.

A. Support by Southern

Applicants request authority through June 30, 2007 (“Authorization Period”) for Southern to: (1) purchase common stock and debt securities issued by Southern Power; (2) purchase from or contribute to Southern Power various equity interests; (3) issue guarantees to support securities and other obligations of Southern Power, and provide performance guarantees (collectively, “Southern Guarantees”) to or for the benefit of Southern Power. The aggregate amount of financing provided by Southern to Southern Power in connection with these transactions will not exceed \$1.2 billion (“Southern Power Aggregate Financing Limit”).

The term of Southern's loans to Southern Power will not exceed seven years, and the interest on those loans will be designed to return to Southern its effective cost of capital.

Southern Guarantees may take the form of Southern agreeing to guarantee, to undertake reimbursement obligations, to assume liabilities or to assume other obligations with respect to, or to act as surety on, bonds, letters of credit, evidences of indebtedness, equity commitments, performance and other obligations undertaken by Southern Power. The terms and conditions of the Southern Guarantees will be established through arms-length negotiations based upon current market conditions. All Southern Guarantees issued will be without recourse to any of Southern's other subsidiaries. The effective cost of capital on any Southern Guarantee will not exceed Southern's cost of obtaining from a third party the liquidity necessary to perform the Southern Guarantee for the period of time the Southern Guarantee remains outstanding. Further, in no event will the effective cost of capital on any Southern Guarantee exceed 500 basis points over a U.S. Treasury security having a term and an amount equal to the guaranteed amount.

B. Southern Power Financings

Proceeds from the proposed securities will be used to finance Southern Power's operations including, as permitted by Commission rule, regulation or order, its acquisition, construction and operation of power generating facilities and investment in energy-related companies.

1. Guarantees

Applicants request authority for Southern Power to provide guarantees and issue guarantees on behalf of its EWG and energy-related company subsidiaries (collectively,

“Exempt Subsidiaries”). Southern Power seeks the flexibility to hold its interests in and provide support for Exempt Subsidiaries indirectly. Therefore, Applicants also request authority: (1) for Southern Power to acquire interests in special-purpose subsidiaries (“Intermediate Companies”) organized to acquire and hold the securities of and finance the operation of Exempt Subsidiaries and engage in development activities;¹ and (2) for the Intermediate Companies to: (a) issue and sell to nonaffiliates debt securities that will have the same terms as the Long-Term Debt, Short-Term Debt, Term Loan Notes and Commercial Paper proposed to be issued and sold by Southern Power (all described below); and (b) issue guarantees and enter into guarantee arrangements on behalf of Exempt Subsidiaries. The proposed debt securities to be issued by Intermediate Companies will be counted toward the Southern Power Aggregate Financing Limit. The total exposure of Southern Power and the Intermediate Companies under the guarantees and guarantee arrangements will not exceed \$500 million at any one time (“Southern Power Guarantee Limit”).²

2. Other Securities

Further, Applicants request authority through the Authorization Period for Southern Power to obtain financing through and in connection with the issuance and sale

¹ Development activities will include project due diligence and design review; market studies; site inspection; preparation of bid proposals, including, related postings of bid bonds, cash deposits or the like; application for requirement permits and/or regulatory approvals; acquisitions of site options and options on other necessary rights; negotiation and execution of contractual commitments with owners of existing facilities, equipment vendors, construction firms, power purchasers, thermal “host” users, fuels suppliers and other project contractors; negotiation of financing commitments with lenders and equity co-investors; and other preliminary development activities as may be required in preparation for the acquisition or financing of a project.

² Those guarantees will not be counted against the Southern Power Aggregate Financing Limit.

of securities. These financings will be counted toward and will not exceed the Southern Power Aggregate Financing Limit.

a. Common Stock

Applicants request authority for Southern Power to issue and sell directly, and for Southern to acquire, shares of Southern Power's \$0.01 par value capital stock ("Common Stock") to Southern. Southern will not pay less than the par value of the Common Stock as determined by Southern Power's board of directors.

b. Preferred Securities

Applicants request authority for Southern Power to issue and sell preferred securities, directly or indirectly, to nonaffiliates. Southern Power may issue preferred securities indirectly through one or more special purpose financing subsidiaries ("Financing Subsidiaries"), and Applicants request authority for Southern Power to acquire Financing Subsidiaries for this purpose.

Preferred securities will be issued in one or more series with such rights, preferences and priorities as may be designated in the instrument creating each such series, as determined by the board of directors of Southern Power. Preferred securities will have maturities of more than one year. Dividends or distributions on preferred securities will be made periodically and to the extent funds are legally available for such purpose, but might be made subject to the terms that will allow the issuer to defer dividend payments for specified periods.

A Financing Subsidiary will lend, dividend or otherwise transfer to Southern Power, the proceeds of the preferred securities it issues, together with the equity contributed to the Financing Subsidiary. In turn, Southern Power will issue guarantees

related to: (1) payments of dividends or distributions on the preferred securities of any Financing Subsidiary if and to the extent that the Financing Subsidiary has funds legally available for this purpose; (2) payments to holders of the preferred securities of amounts due upon liquidation of the Financing Subsidiary or redemption of its preferred securities; and (3) certain additional amounts that may be payable in respect of the preferred securities (e.g., trustee's fees and expenses). Applicants request authority for Southern Power to issue these guarantees, which will be counted against the Southern Power Aggregate Financing Limit.

c. Preferred Stock

Applicants request authority for Southern Power to issue and sell directly preferred stock or preference stock (collectively, "Preferred Stock") to nonaffiliates. Preferred Stock will have a specified par or stated value per share and, in accordance with applicable State law, will have such voting powers (if any), designations, preferences, rights and qualifications, limitations or restrictions as stated and expressed in the resolution or resolutions adopted by the board of directors of Southern Power.

d. Long-Term Debt

Applicants request authority for Southern Power to issue and sell notes with maturities of between one and fifty years ("Long-Term Debt"). Long-Term Debt will be issued and sold to both nonaffiliated investors and Southern. Applicants request authority for Southern to acquire Long-Term Debt of Southern Power. These notes might be either senior or subordinated obligations, might be convertible or exchangeable into preferred stock, might have the benefit of a sinking fund and might be insured by an insurance policy that guarantees payment of the principal and interest.

e. Other Debt Securities

Applicants request authority for Southern Power to issue and sell directly unsecured promissory notes with a term of one year or less (“Short-Term Debt”), unsecured promissory notes with terms of more than one year (“Term Loan Notes”) and commercial paper to nonaffiliated commercial lending institutions and/or to Southern. Correspondingly, Applicants also request authority for Southern to acquire Short-Term Debt, Term Loan Notes and Southern Power’s commercial paper. Commercial paper will be issued in the form of promissory notes with varying maturities not to exceed one year.³

f. Revenue Bond Arrangements

Applicants request authority for Southern Power to enter into loan agreements (“Loan Agreements”) and installment sale agreements (“Installment Sale Agreements”). The Loan Agreements and/or Installment Sale Agreements will be entered into in connection with one or more counties or other appropriate public bodies or instrumentalities (collectively, “Counties”) issuing revenue bonds (“Revenue Bonds”), the proceeds of which will be used to either finance the costs of acquiring, constructing and/or equipping new sewage and solid waste disposal facilities (“Projects”) at certain of Southern Power’s generating plants or refinance the debt previously incurred to acquire, construct and/or equip Southern’s plants with Projects.

Revenue Bonds will be sold by a County under arrangements with one or more purchasers, placement agents or underwriters. Southern Power may not be party to the

³ Maturities for these securities might be subject to extension to a final maturity not to exceed 390 days.

purchase, placement or underwriting arrangements for the Revenue Bonds, but those such arrangements will provide that the terms of the Revenue Bonds and their sale by the County shall be satisfactory to Southern Power. The interest rate borne by the Revenue Bonds will be approved by the County, and will be either a fixed rate that may be converted to a rate that will fluctuate or a fluctuating rate that may be convertible to a fixed rate. The intent is that interest on the Revenue Bonds will generally be excludable from gross income for federal income tax purposes, and Southern Power expects that, at the time of issuance, the interest rates on obligations, the interest on which is tax exempt, will be lower than the rates on similar obligations of comparable quality, interest on which is fully subject to federal income taxation.

Under the Loan Agreement, the County will loan to Southern Power the proceeds of the sale of the County's Revenue Bonds, and Southern Power may issue a non-negotiable promissory note ("Note"). Applicants request authority for Southern Power to issue and sell Notes in connection with Loan Agreements. Under the Installment Sale Agreement, the County will undertake to purchase and sell the related Project to Southern Power. The installment sale structure may be used if required by applicable state law or if it affords transactional advantages to Southern Power.

Under either structure, the proceeds of the loan or purchase will be deposited with a trustee ("Trustee") under an indenture agreement between the County and the Trustee ("Trust Indenture") that provides for Revenue Bonds to be issued and secured. The Note, the Loan Agreement or the Installment Sale Agreement (as the case may be) will provide for payments to be made by Southern Power at times and in amounts that will correspond to the payments with respect to the principal of, premium, if any, and interest on the

related Revenue Bonds whenever and in whatever manner the same shall become due, whether at stated maturity, upon redemption or declaration or otherwise.

The Loan Agreement or the Installment Sale Agreement will provide for the assignment to the Trustee of the County's interest in, and of the monies receivable by the County under, the agreement or the Note. Both the Loan Agreement and the Installment Sale Agreement will obligate Southern Power to pay the fees and charges of the Trustee, and may allow Southern Power, at any time so long as it is not in default, to prepay the amount due under the Loan Agreement or the Note, or the Installment Sale Agreement, in whole or in part, such payment to be sufficient to redeem or purchase outstanding Revenue Bonds in the manner and to the extent provided in the Trust Indenture.

The Trust Indenture will provide that the Revenue Bonds may be redeemable on or after a specified date, in whole or in part at Southern Power's option, and may require the payment of a premium at a specified percentage of the principal amount, which may decline annually. The Trust Indenture will also provide that the Revenue Bonds will be redeemable in whole, at Southern Power's option, at the principal amount plus accrued interest (but without premium) in certain other cases of undue burdens or excessive liabilities imposed with respect to the related Project, its destruction or damage beyond practicable or desirable repairability or condemnation or taking by eminent domain, or if operation of the related facility is enjoined and Southern Power determines to discontinue operation of it. The Revenue Bonds will mature not more than 40 years from the first day of the month in which they are initially issued and, if it is deemed advisable for marketability purposes, may be entitled to the benefit of a mandatory redemption sinking

fund calculated to retire a portion of the aggregate principal amount of the Revenue Bonds prior to maturity.

The Trust Indenture may give the holders of the Revenue Bonds the right, during such time as the Revenue Bonds bear interest at a fluctuating rate or otherwise, to require that the Revenue Bonds be repurchased from time to time and arrangements be made for the remarketing of the Revenue Bonds through a remarketing agent. Southern Power also may be required to purchase the Revenue Bonds, or the Revenue Bonds may be subject to mandatory redemption, at any time if the interest thereon is determined to be subject to federal income tax. The purchase price payable by or on behalf of Southern Power in respect of Revenue Bonds tendered for purchase at the option of the holders will not exceed 100% of the principal amount, plus accrued interest to the purchase date.

In the event of taxability, interest on the Revenue Bonds may be effectively converted to a higher variable or fixed rate, and Southern Power may be required to indemnify the bondholders against any other additions to interest, penalties and additions to tax.

To secure a better credit rating, Southern Power may cause an irrevocable letter of credit or other credit facility (“Letter of Credit”) of a bank or other financial institution (“Bank”) to be delivered to the Trustee.⁴ The Letter of Credit will oblige the Bank to pay to the Trustee, upon request, up to an amount necessary in order to pay principal of and accrued interest on the Revenue Bonds when due. Under a separate agreement with the Bank, Southern Power will agree to pay to the Bank all amounts that will be drawn under

⁴ Delivery of the Letter of Credit will be designed to obtain for the Revenue Bonds a credit rating equivalent to the Bank’s.

the Letter of Credit, as well as certain fees and expenses. In the event that the Letter of Credit is delivered to the Trustee, Southern Power may also convey to the County a subordinated security interest in the Project or other property of Southern Power as further security for Southern Power's obligations under the Agreement and the Note, and the subordinated security interest will be assigned by the County to the Trustee.

As an alternative to, or in conjunction with, securing its obligations under the Agreement and Note as above described, and to obtain a "AAA" rating for the Revenue Bonds by one or more nationally recognized securities rating services, Southern Power may cause an insurance company to issue a policy of insurance guaranteeing the payment when due of the principal of and interest on such series of the Revenue Bonds. The insurance policy will extend for the term of the covered Revenue Bonds and will be non-cancelable by the insurance company for any reason. Southern Power's payment of the premium with respect to the insurance policy could be in various forms, including a non-refundable, one-time insurance premium paid at the time the policies are issued, and/or an additional interest percentage to be paid to the insurer in correlation with regular interest payments. In addition, Southern Power may be obligated to make payments of certain specified amounts into separate escrow funds and to increase the amounts on deposit in such funds under certain circumstances. The amount of each escrow fund will be payable to the insurance company as indemnity for any amounts paid pursuant to the related insurance policy in respect of principal of or interest on the related Revenue Bonds.

The effective cost of capital to Southern Power on any series of the Revenue Bonds will not exceed competitive market rates available at the time of issuance of

securities having the same or reasonably similar terms and conditions issued by companies of reasonably comparable credit quality; provided that in no event will the effective cost of capital exceed 200 basis points over U.S. Treasury securities having comparable maturities. The premium (if any) payable upon the redemption of any Revenue Bonds at the option of Southern Power will not exceed the greater of: (1) 5% of the principal amount of the Revenue Bonds so to be redeemed; or (2) a percentage of such principal amount equal to the rate of interest per annum borne by such Revenue Bonds.

Any Letter of Credit issued as security for the payment of Revenue Bonds will be issued pursuant to a reimbursement agreement between Southern Power and the financial institution issuing the Letter of Credit (“Reimbursement Agreement”). Under the Reimbursement Agreement, Southern Power will agree to pay or cause to be paid to the financial institution, on each date that any amount is drawn under such institution’s Letter of Credit, an amount equal to the amount of the drawing, either by cash or by a borrowing from the institution under the Reimbursement Agreement. Those borrowings may have a term of up to 10 years and will bear interest at the financial institution’s prevailing rate offered to corporate borrowers of similar quality which will not exceed: (1) the London Interbank Offered Rate plus up to 3%; (2) the financial institution’s certificate of deposit rate plus up to 2 – ¾%; or (3) a rate not to exceed the prime rate plus 1%, to be established by agreement with the financial institution prior to the borrowing.

C. Financing Parameters

The following general terms will be applicable, as appropriate, to the proposed financing activities.

1. Effective Cost of Money

The effective cost of capital on Long-Term Debt, preferred stock, preferred securities, Short-term and Term Loan Notes and Commercial Paper will not exceed competitive market rates available at the time of issuance for securities having the same or reasonably similar terms and conditions issued by similar companies of reasonably comparable credit quality. In no event will the effective cost of capital: (1) on any series of Long-Term Debt and any Term Loan Note with a maturity of greater than one year exceed 500 basis points over a U.S. treasury security having a remaining term equal to the term of such security; (2) on any series of Short-Term Debt or Term Loan Note with maturity of one year or less or Commercial Paper exceed 300 basis points over the London Interbank Offered Rate for maturities of less than one year; and (3) on any series of Preferred Stock or Preferred Securities exceed 500 basis points over a U.S. Treasury security having a remaining term equal to the term of such series.

2. Issuance Expenses

The underwriting fees, commissions or other similar remuneration paid in connection with the non-competitive issue, sale or distribution of Long-Term Debt, Short-Term Debt, Term Loans, Preferred Stock and Preferred Securities will not exceed the greater of (a) 6% of the principal or total amount of the securities being issued or (b) issuance expenses that are paid at the time in respect of the issuance of securities having the same or reasonably similar terms and conditions issued by similar companies of

reasonably comparable credit quality. No commission or fee will be payable in connection with the issuance and sale of Commercial Paper, except for a commission, payable to the dealer, not to exceed one-eighth of one percent per annum in respect of Commercial Paper sold through the dealer as principal.

3. Common Equity Ratio

At all times during the Authorization Period, Southern and Southern Power represent that they will each maintain a common equity ratio of at least thirty percent of its consolidated capitalization as reflected in its most recent Form 10-K or Form 10-Q filed with the Commission adjusted to reflect changes in capitalization since the balance sheet date.⁵

4. Investment Grade Ratings

With respect to the securities issuance authority proposed in this application:

(a) within four business days after the occurrence of a Ratings Event,⁶ Applicants will notify the Commission of its occurrence (by means of a letter, via fax, email or overnight mail to the Office of Public Utility Regulation); and (b) within 30 days after the occurrence of a Ratings Event, Applicants will submit a post-effective amendment to the

⁵ Consolidated capitalization is defined to include, where applicable, all common-stock equity (comprised of common stock, additional paid-in capital, retained earnings, treasury stock and/or other comprehensive income or loss), preferred stock, preferred securities, equity-linked securities, long-term debt, short-term debt, current maturities and/or minority interests.

⁶ A “Ratings Event” will occur if, during the Authorization Period, (i) any security issued by Southern or Southern Power upon original issuance, if rated, is rated below investment grade; or (ii) any outstanding security of Southern or Southern Power that is rated is downgraded below investment grade. For purposes of this provision, a security will be deemed to be rated “investment grade” if it is rated investment grade by at least one nationally recognized statistical rating organization, as that term is used in paragraphs (c)(2)(vi)(E), (F) and (H) of rule 15c3-1 under the 1934 Act.

Application explaining the material facts and circumstances relating to that Ratings Event (including the basis on which, taking into account the interests of investors, consumers and the public as well as other applicable criteria under the Act, it remains appropriate for Applicant(s) to issue the securities for which authorization has been requested in this application, so long as Applicant(s) continue to comply with the other applicable terms and conditions specified in the Commission's order authorizing the transactions requested in this application). Furthermore, no securities authorized as a result of this Application will be issued following the 60th day after a Ratings Event (other than Common Stock Commercial Paper and Short-Term Debt) by Southern or Southern Power if the downgraded rating(s) has or have not been upgraded to investment grade. Applicants request that the Commission reserve jurisdiction through the remainder of the Authorization Period over the issuance of any securities (other than Common Stock, Commercial Paper and Short-term Notes) that Applicants are prohibited from issuing as a result of the occurrence of a Ratings Event if no revised rating reflecting an investment grade rating has been issued.

III. Discussion

The proposed transactions are subject to rules 53 and 54, which provide that, in determining whether to approve an application involving the issue or sale of a security for purposes of financing the acquisition of an EWG or foreign utility company (as that term is defined in section 33 of the Act), the Commission shall not make certain adverse findings if the conditions set forth in rule 53(a)(1) through (a)(4) are met, and not otherwise made inapplicable by reason of the existence of any of the circumstances described in rule 53(b).

Currently, Southern meets all of the conditions of Rule 53(a). As of March 31, 2005, Southern's "aggregate investment" (as defined in rule 53(a)(1)) in EWGs and foreign utility companies ("FUCOs") was approximately \$265 million, or about 4.58% of Southern's "consolidated retained earnings" (as defined in Rule 53(a)(1)) for the four quarters ended March 31, 2005 (\$5.784 billion). Southern states that it has complied and will continue to comply with the record-keeping requirements of rule 53(a)(2), the limitation under rule 53(a)(3) concerning the use of operating company personnel to render services to EWGs and FUCOs, and the requirements of rule 53(a)(4) concerning the submission of copies of certain filings under the Act to retail rate regulatory commissions. Further, none of the circumstances described in rule 53(b) have occurred. Rule 53(c), then, by its terms is inapplicable because the requirements of paragraphs 53(a) and 53(b) are satisfied.

Applicants estimate that the fees, commissions and expenses (excluding underwriter's discounts and commissions) to be paid or incurred in connection with the proposed transactions will not exceed \$500,000. In addition, they state that no State or federal commission, other than this Commission, has jurisdiction over any of the proposed transactions.

IV. Conclusion

Due notice of the filing of Application, as amended, has been given in the manner prescribed in rule 23 under the Act, and no hearing has been requested of or ordered by the Commission. Based on the facts in the record, and except with respect to matters over which jurisdiction has been reserved, it is found that the applicable standards of the Act are satisfied and that no adverse findings are necessary.

IT IS ORDERED, under the applicable provisions of the Act and rules under the Act that, except with respect to matters over which jurisdiction has been reserved, the Application as amended is granted and permitted to become effective immediately, subject to the terms and conditions prescribed in rule 24 under the Act; provided that Southern file with the Commission certificates under rule 24 on a quarterly basis, beginning with the first calendar quarter after the date of this order, within sixty days after the end of each of the first three calendar quarters, and ninety days after the end of the last calendar quarter, or year end, to report transactions authorized under the Act by this order in which transactions occur, containing the following information:

- (1) a copy of the balance sheets and income statements as of and for the period ending on the last day of the quarter for direct subsidiaries of Southern that hold the securities of Exempt Subsidiaries, including Southern Power;
- (2) narrative descriptions of the activities of Southern Power, the Intermediate Companies and Exempt Subsidiaries during the quarter just ended, organized by business category (project development, project related services and other) and within each category, a description of new developments by project type (e.g., EWGs, energy related activities, etc.);
- (3) amounts and forms of: (a) all guarantees issued or provided in reliance upon this order; (b) all indemnifications of and with respect to persons acting as sureties on bonds or other obligations on behalf of Southern Power or any of its subsidiaries that Southern has agreed to grant in the event a bid by any of the foregoing is accepted;
- (4) a description of all services and goods that Southern Power or its subsidiaries have obtained from or provided to affiliates, specifying in each case the type of good or service provided, the provider and recipient of the good or service, the number of personnel used to provide the service during the quarter, the total dollar value of the goods or services, whether the charge was computed at cost, market or by using another method (any other method to be specified);
- (5) a chart identifying, as of the end of each quarterly period, (a) all associate companies of Southern that are Intermediate Companies, Financing Subsidiaries and Exempt Subsidiaries; (b) Southern's direct or indirect investment in each entity; (c) the aggregate direct and indirect investment by Southern in all the entities; and (d) Southern's percentage of equity ownership in each entity, together with a statement indicating by category the type of entity or person (i.e., domestic corporation, foreign corporation,

foreign government or natural persons) owning the equity interests in each entity that are not held directly or indirectly by Southern; and

(6) with respect to the securities issuance authority granted in this order: (a) summary information concerning all securities issued during the preceding quarter under authority granted by this order, including Applicants' relative position as of the end of the quarter under the Southern Power Aggregate Financing Limit and the Southern Power Guarantee Limit, together with a representation confirming that the securities were issued according to the applicable terms and conditions set forth above; and (b) a statement describing the uses of the proceeds of the securities issued.

IT IS FURTHER ORDERED, that jurisdiction is reserved, pending completion of the record, over the issuance of any securities (other than common stock and short-term debt) where the issuance is prohibited after the 60th day following a Ratings Event.

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

Margaret H. McFarland
Deputy Secretary