

# SECURITIES AND EXCHANGE COMMISSION

## FORM U-1/A

Application or declaration under the act 1935 [amend]

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### FILER

#### **SOUTHERN CO**

CIK: **92122** | IRS No.: **580690070** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **U-1/A** | Act: **35** | File No.: **070-07209** | Film No.: **94504158**  
SIC: **4911** Electric services

Business Address  
**64 PERIMETER CTR EAST**  
**ATLANTA GA 30346**  
**4043930650**

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

AMENDMENT NO. 9  
(POST-EFFECTIVE AMENDMENT NO. 2)

to

APPLICATION OR DECLARATION

on

FORM U-1

under

The Public Utility Holding Company Act of 1935

SOUTHERN ELECTRIC INTERNATIONAL INC.  
100 Ashford Center North, Suite 400  
Atlanta, Georgia 30338

THE SOUTHERN DEVELOPMENT  
AND INVESTMENT GROUP, INC.  
64 Perimeter Center East  
Atlanta, Georgia 30346

THE SOUTHERN COMPANY  
64 Perimeter Center East  
Atlanta, Georgia 30346

(Name of company or companies filing this statement  
and addresses of principal executive offices)

THE SOUTHERN COMPANY

(Name of top registered holding company parent of each declarant)

Tommy Chisholm  
Vice President and Secretary  
Southern Electric International, Inc.  
100 Ashford Center North, Suite 400  
Atlanta, Georgia 30338

Tommy Chisholm  
Secretary  
The Southern Company  
64 Perimeter Center East  
Atlanta, Georgia 30346

(Names and addresses of agent for service)

The Commission is requested to mail signed copies of all  
orders, notices and communications to:

W.L. Westbrook  
Financial Vice-President  
The Southern Company  
64 Perimeter Center East  
Atlanta, Georgia 30346

John F. Young  
Vice President  
Southern Company Services, Inc.  
One Wall Street, 42nd Floor  
New York, New York 10005

Thomas G. Boren  
President  
Southern Electric International, Inc.  
100 Ashford Center North  
Suite 400  
Atlanta, Georgia 30338

John D. McLanahan, Esq.  
Troutman Sanders  
600 Peachtree Street, N.E.  
Suite 5200  
Atlanta, Georgia 30308-2216

Post-Effective Amendment No. 1 heretofore filed in this proceeding is hereby amended and restated in its entirety as follows:

Item 1. Description of Proposed Transactions.

1.1 Background. Southern Electric International, Inc. ("SEI") and The Southern Development and Investment Group, Inc. (formerly The Southern Investment Group, Inc.) ("Development") are wholly-owned subsidiaries of The Southern Company ("Southern"), a registered holding company under the Public Utility Holding Company Act of 1935 (the "Act"). In accordance with the Commission's order dated October 20, 1987 (HCAR No. 24476) (the "1987 Order"), Southern is currently authorized to act, on behalf of SEI and Development, as surety, guarantor or indemnitor with respect to obligations undertaken by such subsidiaries, including their performance under engineering,

construction, operating and other similar kinds of services agreements in connection with independent power project activities ("Project Activities"), and in connection with bid bonds required in the ordinary course of business in connection with investments in projects<sup>1</sup> and their participation in other activities, in an aggregate amount at any

<sup>1</sup> Since 1987, all independent power activities, including the development of investments in projects and performance of construction and operating services relating to projects, have been conducted through SEI.

one time outstanding not to exceed \$300 million through December 31, 1996, provided that any guarantees outstanding at December 31, 1996 shall continue in effect until expiration or termination in accordance with their terms. The Commission reserved jurisdiction over Southern's actions on behalf of SEI and Development, as surety, guarantor or indemnitor, in an aggregate amount of up to an additional \$200 million.

The applicants now request that the Commission release jurisdiction heretofore reserved in the 1987 Order with respect to Southern's actions on behalf of SEI and Development as guarantor, surety or indemnitor. The applicants state that the

release of such jurisdiction is necessary and appropriate principally to enable SEI to obtain commercial sureties, bid bonds, letters of credit and other similar credit enhancements that are typically required by counterparties to power sales agreements, construction contracts, operating contracts and other similar agreements.<sup>2</sup>

In connection with SEI's current Project Activities, Southern is acting, or has been requested to act, as guarantor, surety or indemnitor with respect to performance obligations of SEI under agreements in which SEI's maximum contractual exposure may, at any point in time, be as much as \$300 million. Without any increase in Southern's current authority under the 1987 Order to act on behalf of SEI as guarantor, surety or

<sup>2</sup> Southern is not currently acting as surety, guarantor or indemnitor with respect to any obligation of Development.

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indemnitor of commercial sureties with respect to other or additional obligations of SEI that may reasonably be expected to arise in the ordinary course of SEI's authorized business, SEI will be severely limited in terms of its relative competitive advantage in making bids on other projects or contracts to provide project services, such as construction and

power plant operations and maintenance services.

The applicants state that a release of jurisdiction under the 1987 Order is appropriate and will not result in any significant financial exposure to Southern. In that regard, it should be noted that Southern has never been called upon to perform under any guarantee or indemnification arrangement heretofore entered into on behalf of SEI or Development in the nearly seven years that such authority has existed. Further, the maximum exposure of Southern, in the aggregate, under all such guarantees and indemnification arrangements would be limited by the unlikelihood that Southern would ever be called upon to honor its undertakings under all such arrangements, by Southern's ability in any particular case to take actions that would mitigate in part its maximum exposure under any such arrangements, and by the unlikelihood (based upon actual experience) that SEI or Development will win or be awarded all projects or contracts with respect to which either may make bids or proposals.

For the foregoing reasons, the applicants respectfully

request that the Commission release jurisdiction heretofore reserved under the 1987 Order.

Item 2. Fees, Commissions and Expenses.

Fees, commissions and expenses expected to be incurred by the applicants in connection with this Post-Effective Amendment are as follows:

Holding Company Act filing fee .....	\$ 2,000
Counsel fees:	
Troutman Sanders .....	\$ 2,000*
Miscellaneous and incidental expenses..	\$ 100*
Total	\$ 4,100

\*Estimated amount

Item 5. Procedure.

Notice to the public of the transaction proposed herein has been given in the manner prescribed by Rule 23. (See HCAR No. 24431, dated July 23, 1987). The applicants believe that further notice to the public of the request for release of jurisdiction contained herein is neither required nor appropriate.

The applicants request that the Commission's order releasing jurisdiction heretofore reserved be issued as soon as the rules allow, and that there be no thirty-day waiting period between the issuance of the Commission's order and the date on which it is to become effective. The applicants hereby waive a recommended decision by a hearing officer or other responsible officer of the Commission and hereby consent that the Division of Investment Management may assist in the preparation of the

Commission's decision and/or order in the matter unless such Division opposes the matters covered hereby.

SIGNATURE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, the undersigned companies have duly caused this Post-Effective Amendment No. 2 to be signed on their behalf by the undersigned thereunto duly authorized.

Dated: February 2, 1994

THE SOUTHERN COMPANY

By: /s/Tommy Chisholm  
Tommy Chisholm  
Secretary

SOUTHERN ELECTRIC INTERNATIONAL,  
INC.

By: /s/Tommy Chisholm  
Tommy Chisholm  
Vice President and Secretary

THE SOUTHERN DEVELOPMENT AND  
INVESTMENT GROUP, INC.

By: /s/Tommy Chisholm



Tommy Chisholm  
Vice President and Secretary

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