Section 204 of the Federal Power Act, authorizing the issuance of up to 696,695 shares of Common Stock, par value $3.25 per share.

Applicant proposes to offer up to 696,695 additional shares of Common Stock to its Common Stockholders of record at the close of business on March 26, 1962, for subscription on the basis of one share of additional Common Stock for each twenty shares of outstanding Common Stock held on such record date, with a supplementary subscription privilege if the number of shares held on the record date is not evenly divisible by twenty or is less that twenty. Rights to subscribe for the additional Common Stock will be evidenced by transferable subscription warrants. The subscription price per share will be determined by Applicant's Board of Directors shortly before the proposed offering date, and will be fixed in relation to, and at an appropriate discount from the then market price of Applicant's presently issued and outstanding Common Stock. The subscription offer will expire at 3:30 p.m., New York Time, on May 1, 1962. In addition, Applicant proposes to sell to underwriters any shares of additional Common Stock for which Applicant's Common Stockholders do not subscribe, at the same price at which shares of additional Common Stock will be offered under the subscription offer, and to fix by competitive bidding the compensation of the underwriters for their commitments to purchase the unsubscribed Stock.

On or about March 29, 1962, Applicant proposes to invite sealed, written bids for the purchase of the unsubscribed Stock by newspaper publication and by distribution of a form of bid and a form of purchase agreement together with a statement of terms and conditions relating thereto. All bids, whether from a single bidder or a group of bidders, must be on the form of bid furnished by Applicant and must be for the purchase of all of the unsubscribed Stock. Each bid must specify, among other things, (1) the price per share to be paid to Applicant for the unsubscribed Stock, which price shall be the same as the subscription price to Applicant's Common Stockholders; and, (2) the aggregate amount to be paid by Applicant to the bidder or bidders as compensation for their commitments and obligations in connection with the purchase by them of the unsubscribed Stock.

Unless postponed, all bids for the purchase of the unsubscribed Stock must be submitted to Applicant at Room 2033, Two Rector Street, New York 6, New York, before 11:00 a.m., New York Time, on April 5, 1962. Each bid must be accompanied by a certified or official bank check or checks in the aggregate amount of $250,000, payable in New York Clearing House funds. Each of the bidders must agree that in case any shares of unsubscribed Stock are acqu[illegible] and sold prior to the expiration of thirty days following the day upon [illegible] the subscription period expires for a price in excess of the purchase [illegible] $1.00 per share, the bidder will pay to the Applicant, in addition to [illegible] price, a sum equal to 50 percent of such excess. Unless Appli[illegible] bids, which it reserves the right to do, or excludes a bid [illegible] specified in the statement of terms and conditions relati[illegible] will accept the bid which provides for the lowest aggreg[illegible] tion to be paid by Applicant to the bidder or group of [illegible]

Applicant will utilize the proceeds of approxim[illegible] from the proposed issuance of additional Com[illegible] of approximately $35,000,000, to be obtaine[illegible] Mortgage Bonds (Docket No. E-7024) [illegible] cipal amount of Promissory Notes, [illegible] have issued under the authorit[illegible] E-7011,* and toward the co[illegible] expected to require the ex[illegible] $56,000,000 for 1963.

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* [illegible] issued [illegible]