

VI. Financing Subsidiaries

For the Requested Authorization Period, Applicants request that the terms and conditions in respect of Financing Subsidiaries be modified. Applicants request authority for Xcel and its Subsidiaries to acquire, directly or indirectly, the equity securities of one or more corporations, trusts, partnerships or other entities ("Financing Subsidiaries") created specifically for the purpose of facilitating the financing of the authorized and exempt activities (including exempt and authorized acquisitions) of Xcel and the Subsidiaries through the issuance of debt or preferred securities, including but not limited to monthly income preferred securities, to third parties and the loaning of the proceeds of such financings to Xcel or such Subsidiaries. The proceeds of any securities issuance by a Financing Subsidiary would be loaned, dividended or otherwise transferred to Xcel or the Subsidiary that established such Financing Subsidiary. The proceeds of any securities issuances by a Financing Subsidiary would count against any applicable authorization limit of Xcel or a Subsidiary establishing such Financing Subsidiary as though Xcel or the Subsidiary had undertaken the issuance directly. Xcel or the Subsidiary that established such Financing Subsidiary, as applicable, may, if required, guarantee all or part of the obligations of such Financing Subsidiary under any securities issued by the Financing Subsidiary. Xcel or the Subsidiary that established such Financing Subsidiary, as applicable, also may enter into expense arrangements in respect of the obligations of such Financing Subsidiary. However, the amount of any such guarantee by Xcel or a Subsidiary would not be counted against the authorization limit in respect of intra-system financings and guarantees discussed above.

Any such long-term debt or preferred securities would be issued with terms and features negotiated or based upon, or otherwise determined by, competitive capital markets, and in any event consistent with the general terms set forth above for Xcel. Any such preferred securities would have dividend rates or methods of determining the same, redemption provisions, conversion or put terms and other terms and conditions as Xcel may determine at the time of issuance. In addition, all issuances of preferred securities will be at rates or prices, and under conditions negotiated pursuant to, based upon, or

otherwise determined by competitive capital markets.

Georgia Power Company (70-10137)

Georgia Power Company ("Georgia Power"), a wholly owned utility subsidiary of the Southern Company ("Southern"), a registered holding company, 241 Ralph McGill Boulevard, NE., Atlanta, Georgia, 30308, has filed a declaration under section 12(b) of the Act and rules 45 and 54 under the Act.

Georgia Power owns 50% of the outstanding common stock of Southern Electric Generating Company ("SEGCO"), an indirect utility subsidiary of Southern. Alabama Power Company ("Alabama Power"), a wholly owned utility subsidiary of Southern, owns the remaining outstanding common stock of SEGCO. SEGCO owns units one through four of the 1,000 megawatt Ernest C. Gaston steam plant near Wilsonville, Alabama. The plant sells all of its energy and capacity to Georgia Power and Alabama Power in proportion to their ownership interest in the plant. Alabama Power acts as SEGCO's agent in the operation of the plant.

On May 22, 2003 SEGCO issued its Series A 4.40% Senior Notes due May 15, 2013 in an aggregate principal amount of \$50 million. As part of the financing, Alabama Power guaranteed repayment of the SEGCO debt. Georgia Power proposes to agree by letter to reimburse Alabama Power pro rata (based on Georgia Power's ownership of the outstanding equity securities of SEGCO as of the date the payment is due) for any payments made by Alabama Power under its guarantee. The letter will provide that the commitment of Georgia Power will terminate when Georgia Power ceases to own an interest in SEGCO.

Unitil Corporation (70-10161)

Unitil Corporation ("Unitil"), a registered holding company under the Act, 6 Liberty Lane West, Hampton, New Hampshire 03842, ("Applicant") has filed an application/declaration ("Application") with the Commission under sections 6(a) and 7 of the Act.

Unitil requests authority to issue and sell for cash prior to January 31, 2004 up to 717,600 additional shares of its common stock, no par value (the "Additional Common Stock"). Unitil has an authorized total of 8,000,000 shares of common stock, of which 4,753,630 shares were issued and outstanding as of June 30, 2003.

Unitil contemplates that the Additional Common Stock would be issued and sold to the public through underwriters, who would acquire the

Additional Common Stock for their own accounts and may resell the shares of the Additional Common Stock in one or more transactions, including negotiated transactions, either at a fixed public offering price or at varying prices determined at the times of sale. The offering is expected to be effected in accordance with an underwriting agreement of a type generally standard in the industry and Unitil may grant the underwriters a "green shoe" option to purchase additional shares at the same price then offered solely for the purpose of covering over-allotments (provided that the total number of shares offered initially, together with the number of shares issued in accordance with any "green shoe" option would not exceed the number of shares authorized for issuance by any order granted under the Application). Applicant states that it is also possible that Unitil would sell the Additional Common Stock through dealers or agents or directly to a limited number of purchasers or a single purchaser.

The aggregate price of the Additional Common Stock being sold through any underwriter or dealer would be calculated based on either the specified selling price to the public or the closing price of the common stock on the day the offering is announced. Public distributions may be in accordance with private negotiation with underwriters, dealers or agents as discussed above or effected through competitive bidding among underwriters. In addition, sales may be made through private placements or other non-public offerings to one or more persons. The sale of the shares of Additional Common Stock would be at rates or prices and under conditions negotiated or based upon, or otherwise determined by, competitive capital markets. The underwriting fees, commissions or other similar remuneration paid in connection with the issue, sale or distribution of the Additional Common Stock in accordance with the Application (not including any original issue discount) would not exceed 7% of the principal or total amount of the Additional Common Stock being issued.

Unitil states that it intends to use the net proceeds of the offering (after deduction of fees, commissions and expenses) (i) to make cash capital contributions to its subsidiaries, including, without limitation, its public utility subsidiaries, Fitchburg Gas and Electric Light Company ("Fitchburg") and Unitil Energy Systems, Inc. ("Unitil Energy"), in accordance with rule 45(a)(4) of the Act; (ii) to repay its outstanding short-term indebtedness; and (iii) for other general corporate