

meetings (except insofar as the Commission may interpret section 16 of the 1940 Act not to require such meetings) or comply with section 16(c) of the 1940 Act (although ATSF is not one of the trusts described in section 16(c) of the 1940 Act) as well as with section 16(a) of the 1940 Act and, if and when applicable, section 16(b) of the 1940 Act. Further, each Insurance Investment Company will act in accordance with the Commission's interpretation of the requirements of section 16(a) of the 1940 Act with respect to periodic elections of directors (or trustees) and with whatever rules the Commission may promulgate with respect thereto.

11. As long as the Commission continues to interpret the 1940 Act as requiring pass-through voting privileges for variable contract owners, the Managers will vote their shares in the same proportion as all contract owners having voting rights with respect to the relevant Insurance Investment Company; provided, however, that the Manager or any General Account shall vote their shares in such other manner as may be required by the Commission or its staff.

12. The Participants shall at least annually submit to the Board of an Insurance Investment Company such reports, materials or data as the Board may reasonably request so that it may fully carry out the obligations imposed upon it by the conditions contained in this Application and said reports, materials and data shall be submitted more frequently, if deemed appropriate, by the Board. The obligations of Participating Insurance Companies and Participating Qualified Plans to provide these reports, materials and data to the Board of the Insurance Investment Company when it so reasonably requests, shall be a contractual obligation of the Participating Insurance Companies and Participating Qualified Plans under their agreements governing participation in each Insurance Investment Company.

13. If a Qualified Plan should become an owner of 10 percent or more of the assets of an Insurance Investment Company, the Insurance Investment Company shall require such Plan to execute a participation agreement with such Insurance Investment Company which includes the conditions set forth herein to the extent applicable. A Qualified Plan will execute an application containing an acknowledgment of this condition upon such Plan's initial purchase of the shares of any Insurance Investment Company.

Conclusion

For the reasons and upon the facts summarized above, Applicants assert that the requested exemptions are appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48918; File No. SR-NYSE-2003-40]

Self-Regulatory Organizations; Notice of Filing of a Proposed Rule Change by the New York Stock Exchange, Inc. Relating to the Listing of Certain 7¾% PEPSSM Units Under Section 703.19

December 12, 2003.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 26, 2003, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the NYSE.

The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of the Substance of the Proposed Rule Change

The NYSE proposes to list and trade 7¾% Premium Equity Participating Security Units (PEPSSM Units), Series B ("Units"), each of which consists of a purchase contract issued by PPL Corporation ("PPL"), and a 2.5% undivided beneficial ownership interest in a \$1,000 principal amount note due 2006 issued by PPL Capital Funding, Inc. ("PPL Capital") and guaranteed by PPL.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the NYSE included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NYSE has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

Under Section 703.19 of the Listed Company Manual ("Manual"), the Exchange may approve for listing and trading securities not otherwise covered by the criteria of Sections 1 and 7 of the Manual, provided the issue is suited for auction market trading.³ The Exchange proposes to list and trade, under Section 703.19 of the Manual, the Units, each of which consists of (1) a purchase contract ("Purchase Contract") issued by PPL and (2) a 2.5% undivided beneficial ownership interest in a \$1,000 principal amount note ("Note") due May 2006 issued by PPL Capital and guaranteed by PPL.⁴

The Units are being offered pursuant to an exchange offer, the full terms of which are set out in the Registration Statement.⁵ Specifically, PPL offers to exchange the Units and a cash payment of \$0.375 for each validly tendered and accepted 7¾% Premium Equity Participating Security Unit (collectively referred to as the "Old Units"), subject to, among other things, the minimum condition that there are validly tendered at the expiration of the exchange offer at least 35% of the Old Units, and the condition that the Old Units remain listed on the Exchange.

Each Purchase Contract obligates the holder of a Unit to purchase from PPL, no later than May 18, 2004 (the

³ See Securities Exchange Release No. 28217 (July 18, 1990), 55 FR 30056-01 (July 24, 1990).

⁴ PPL and PPL Capital filed Amendment No. 1 to Form S-4 relating to the Units (the "Registration Statement") on October 20, 2003. See Registration No. 333-108450. The information provided in this Rule 19b-4 filing relating to the Units is based entirely on information included in the Registration Statement.

⁵ In particular, the Registration Statement provides a detailed discussion and comparison of the Old Units and the Units so that holders can evaluate whether it is in their best interests to participate in the exchange offer.