intervals not to exceed 3,000 landings (4,500 landings for Model 747-100SR).

3. If cracks are found at the forward hole in the bulkhead forging, repair in accordance with an FAA-approved procedure prior to further flight.

E. An alternate means of compliance or adjustment of the compliance time, which provides an acceptable level of safety, may be used when approved by the Manager, Seattle Aircraft Certification Office, FAA, Northwest Mountain Region.

Note: The request should be forwarded through an FAA Principal Maintenance Inspector (PMI), who may add any comments and then send it to the Manager, Seattle Aircraft Certification Office.

F. Special flight permits may be issued in accordance with FAR 21.197 and 21.199 to operate airplanes to a base in order to comply with the requirements of this AD.

All persons affected by this directive who have not already received the appropriate service documents from the manufacturer may obtain copies upon request to Boeing Commercial Airplanes, P.O. Box 3707, Seattle, Washington, 98124. These documents may be examined at the FAA, Northwest Mountain Region, 17900 Pacific Highway South, Seattle, Washington, or Seattle Aircraft Certification Office, FAA, Northwest Mountain Region, 9010 East Marginal Way South, Seattle, Washington.

This amendment supersedes AD 84-18-01, Amendment 39-4905.

This amendment becomes effective August 28, 1988.

Issued in Washington, DC, on July 14, 1988.

Daniel P. Salvano,

Acting Director, Office of Airworthiness.

[FR Doc. 88-16362 Filed 7-20-88; 8:45 am]

BILLING CODE 4910-13-M

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14 CFR Part 71

[Airspace Docket Number 88-ACE-05]

Alteration of Transition Area; Milford, IA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Correction to final rule.

SUMMARY: This action corrects the legal description and effective date for the Milford, Iowa, transition area (53 FR 23220, June 21, 1988). Subsequent to the issuance of this final rule, a typographical error was discovered in the latitude coordinate for the Fuller Municipal Airport transition area as well as an incorrectly cited effective date.

EFFECTIVE DATE: 0901 u.t.c., August 25, 1988.

FOR FURTHER INFORMATION CONTACT: Lewis G. Earp, Airspace Specialist, Traffic Management and Airspace Branch, Air Traffic Division, ACE-540, FAA, Central Region, 601 East 12th Street, Kansas City, Missouri 64106, Telephone (816) 426-3408.

SUPPLEMENTARY INFORMATION: Subsequent to the issurance of the Rule altering the transition area at Milford, Iowa, it has been determined that the latitude coordinate for the Fuller Municipal Airport, Milford, Iowa, was incorrectly cited as "43°19'17" W." instead of 43°19'57" N." In addition, the effective date was in error. It should be August 25, 1988, rather than October 22, 1988. (53 FR 23220; June 21, 1988). Action is taken herein to make these corrections. Since these changes are editorial in nature, notice and public procedure thereon are not considered necessary and are contrary to the public interest.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore—(1) is not a "major rule" under Executive Order 12291; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Aviation safety, Transition areas.

Adoption of the Correction

Accordingly, pursuant to the authority delegated to me, **Federal Register** Document 88-13862 on page 23220 of the **Federal Register** on Tuesday, June 21, 1988, is corrected to read as follows:

Fuller Municipal Airport, Milford, Iowa [Corrected]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

1. The authority citation for Part 71 continues to read as follows:

Authority: 49 U.S.C. 1348(a), 1354(a), 1510, Executive Order 10854; 49 U.S.C. 106(g) (Revised Pub. L. 97-449, January 12, 1983); 14 CFR 11.69.

§ 71.181 [Amended]

2. Section 71.181 is amended to read as follows:

That airspace extending upward from 700 ft. above the surface within a five (5) mile radius of the Fuller Municipal Airport (Lat. 43°19'57" N., Long. 95°09'29" W.) and within 1.75 mile each side of the 190° bearing from the Fuller Municipal Airport extending from the five (5) mile radius to 5.5 miles south of the airport.

This amendment becomes effective at 0901 u.t.c. August 25, 1988.

Issued in Kansas City, Missouri, on July 11, 1988.

Clarence E. Newbern,

Manager, Air Traffic Division.

[FR Doc. 88-16364 Filed 7-20-88; 8:45 am]

BILLING CODE 4910-13-M

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

14 CFR Part 1261

Processing of Monetary Claims (General)

AGENCY: National Aeronautics and Space Administration (NASA).

ACTION: Policy statement.

SUMMARY: NASA is amending 14 CFR Part 1261 by adding § 1261.316 and § 1261.317. The National Aeronautics and Space Act of 1958, as amended (Pub. L. 85-568, 72 Stat. 426), grants the Administrator of NASA broad powers with regard to the settlement of civil claims arising out of activities of the agency. In addition, NASA, like other Federal agencies, can settle claims under the Federal Tort Claims Act, as amended. See 28 U.S.C. 2671-2680. However, there currently exists no clear statement of policy regarding the Administrator's ability to use agency funds to indemnify employees who become liable for money judgments or personal damage claims as a result of official acts. This policy statement, which will amend current agency regulations regarding the procedures for handling claims against employees, clarifies the situations where such indemnification may be granted. This policy statement is similar to one recently adopted by the Department of Justice. See 51 FR 27021-27023 dated July 23, 1986.

EFFECTIVE DATE: July 21, 1988.

FOR FURTHER INFORMATION CONTACT: Edward A. Frankle, Deputy General Counsel, Code G, National Aeronautics and Space Administration, Washington, DC 20546, 202-453-8608.

SUPPLEMENTARY INFORMATION: Existing NASA regulations do not address the issue of indemnification of agency employees who are sued in their individual capacity and who suffer an adverse judgment or other monetary consequences as a result of conduct taken within the scope of their employment. Lawsuits against Federal employees in their personal capacity have proliferated since the Supreme Court's decision in *Bivens v. Six Unknown Named Agents of the Federal Bureau of Narcotics*, 403 U.S. 388 (1971). As reported by the Department of Justice, since 1971 over 12,000 claims have been filed against Federal employees; nearly 3,000 actions are now pending.

While NASA's workforce is well-disciplined, the risk of personal liability and the burden of defending a suit as a result of performing one's employment duties can have a significant effect on NASA operations. An adverse judgment against any Federal employee has detrimental consequences for both the individual and the Government. The potential for being found personally liable and the uncertainty as to what actions may culminate in a lawsuit intimidate all employees, discouraging initiative and decisiveness. As Professor Kenneth Culp Davis has stated:

> The public suffers whenever a government employee resolves doubts in order to protect his own pocketbook instead of resolving doubts in order to protect the public interest—courageous action of public employees is often essential, and it should not be discouraged by the threat of a lawsuit against the employee personally.
>
> K. Davis, Constitutional Torts 25, 28 (1984).

On a broader scale, this fear of personal liability affects government operation, decision-making, and policy determination.

NASA believes that the potential of significant judgments or other monetary consequences flowing from lawsuits against Federal employees in their personal capacity can seriously hinder effective functioning. A clarification in agency policy to recognize NASA's inherent ability to indemnify its employees would help alleviate this problem and afford NASA employees the same protection now given to other Federal officials. As noted previously, the Department of Justice has recently enacted a similar amendment to its housekeeping regulation allowing for indemnification of Department of Justice employees. See 28 CFR 50.15. In this amendment, the Department of Justice specifically recognized the inherent authority of all Executive Branch agencies to indemnify employees for liability resulting from official acts. *Id.*

The clarification in NASA policy published today does not mandate that the agency indemnify any employee who suffers an adverse judgment, verdict, or monetary award. To merit indemnification, the actions which give rise to the claim or judgment must fall within the individual's current or past scope of employment and indemnification must be in the interest of the National Aeronautics and Space Administration as determined by the Administrator or designee. In rare administrative instances, where the Administrator deems it appropriate, an individual damage claim may be settled with agency funds prior to entry of judgment. Absent exceptional circumstances, however, NASA will not agree to indemnify an employee or settle a claim before entry of an adverse determination. This provision is designed to discourage claims brought against agency employees solely in order to pressure the agency into settlement. Denial of dispositive motions or delay in deciding such motions ordinarily will not lead to settlement before trial and judgment.

In addition, the statement also reaffirms that agency attorneys participating in the process by which the agency seeks representation for present or former employees sued, subpoenaed, or charged in their individual capacity undertake a full attorney-client relationship with those employees with all attendant protections.

This policy statement will not have a significant economic impact on substantial numbers of small entities within the meaning of 5 U.S.C. 605(b). Moreover, as a matter relating to NASA management and internal personnel policy, this statement is not required to be published pursuant to the procedural requirements of 5 U.S.C. 553 *et seq.*

The National Aeronautics and Space Administration has determined that:

1. This policy statement is not subject to the requirements of the Regulatory Flexibility Act, 5 U.S.C. 601 through 612, since it will not exert a significant economic impact on a substantial number of small entities.

2. This policy statement is not a major rule as defined in Executive Order 12291.

List of Subjects in 14 CFR Part 1261

Claims, Tort claims.

For reasons set forth in the Preamble, 14 CFR Part 1261 is amended as follows:

PART 1261—[AMENDED]

1. The authority citation for 14 CFR Part 1261 Subpart 1261.3 continues to read as follows:

Authority: 28 U.S.C. 2671–2680, 42 U.S.C. 2473(c)(13), and 28 CFR Part 14.

2. Section 1261.316 and Section 1261.317 are added to read as follows:

§ 1261.316 Policy.

(a) The National Aeronautics and Space Administration may indemnify a present or former NASA employee, who is personally named as a defendant in any civil suit in state or federal court, or in an arbitration proceeding or other proceeding seeking damages against that employee personally, for any verdict, judgment, appeal bond, or other monetary award which is rendered against such employee, provided that the conduct giving rise to the verdict, judgment, appeal bond, or award was taken within the scope of his or her employment and that such indemnification is in the interest of the National Aeronautics and Space Administration, as determined by the Administration or designee.

(b) The National Aeronautics and Space Administration may settle or compromise a personal damage claim against a present or former NASA employee by the payment of available funds, at any time, provided the alleged conduct giving rise to the personal damage claim was taken within the employee's scope of employment and that such settlement or compromise is in the interest of the National Aeronautics and Space Administration, as determined by the Administrator or designee.

(c) Absent exceptional circumstances as determined by the Administrator or designee, the agency will not entertain a request either to agree to indemnify or to settle a personal damage claim before entry of an adverse verdict, judgment, or award.

(d) A present or past NASA employee may request indemnification to satisfy a verdict, judgment, or award entered against that employee. The employee shall submit a written request, with appropriate documentation including copies of the verdict, judgment, appeal bond, award, or settlement proposal to the General Counsel, who shall make a recommended disposition of the request. Where appropriate, the agency shall seek the views of the Department of Justice. The General Counsel shall forward the request, the accompanying documentation, and the General Counsel's recommendation to the Administrator for decision.

(e) Any payment under this section either to indemnify a National Aeronautics and Space Administration employee or to settle a personal damage claim shall be contingent upon the availability of appropriated funds of the National Aeronautics and Space Administration.

§ 1261.317 Attorney-client privilege.

(a) Attorneys employed by the National Aeronautics and Space Administration participate in the process utilized for the purpose of determining whether the agency should request the Department of Justice to provide representation to a present or former agency employee sued, subpoenaed, or charged in his/her individual capacity, and attorneys employed by the National Aeronautics and Space Administration provide assistance in obtaining representation of such an agency employee. In these roles, agency attorneys undertake a full and traditional attorney-client relationship with the employee with respect to application of the attorney-client privilege. If representation is authorized, National Aeronautics and Space Administration attorneys who assist in the representation of a present or former employee also undertake a full and traditional attorney-client relationship with that employee with respect to the attorney-client privilege.

(b) Any adverse information communicated by the client-employee to an agency attorney during the course of such attorney-client relationship shall not be disclosed to anyone, either inside or outside the National Aeronautics and Space Administration, other than attorneys resonsible for representation of the employee, unless such disclosure is authorized by the employee. Such adverse information shall continue to be fully protected whether or not representation is provided and even though representation may be denied or discontinued.

July 11, 1988.

James C. Fletcher,

Administrator.

[FR Doc. 88-16421 Filed 7-20-88; 8:45 am]

BILLING CODE 7510-01-M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 37

[Docket No. RM87-35-000]

Generic Determination of Rate of Return on Common Equity for Public Utilities

July 15, 1988.

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Notice of benchmark rate of return on common equity for public utilities.

SUMMARY: In accordance with § 37.5 of its regulations, the Federal Energy Regulatory Commission, by its designee the Director, Office of Economic Policy, issues the update to the "advisory" benchmark rate of return on common equity applicable to rate filings made during the period August through October 1988. This benchmark rate is set at 12.36 percent.

EFFECTIVE DATE: August 1, 1988.

FOR FURTHER INFORMATION CONTACT: Marvin Rosenberg, Office of Economic Policy, Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington, DC 20426, (202) 357-8283.

SUPPLEMENTARY INFORMATION: On January 27, 1988, the Federal Energy Regulatory Commission (Commission) issued a final rule which readopted the quarterly indexing procedure for establishing and updating the benchmark rate of return on common equity applicable to electric rate filings.[1] Based on this procedure, the Commission, by its designee, the Director of the Office of Economic Policy, determines that the benchmark rate of return on common equity applicable to rate filings made during the period August 1 through October 31, 1988, is 12.36 percent.

Section 37.9 of the Commission's regulations [2] requires that the quarterly benchmark rate of return be set equal to the average cost of common equity for the jurisdictional operations of public utilities. This average cost is based on the average of the median dividend yields for the two most recent calendar quarters for a sample of 99 utilities.[3] The average yield is used in the following formula with fixed adjustment factors (determined in the most recent annual proceeding) to determine the cost rate:

$$k_t = 1.02\ Y_t + 4.36$$

where k_t is the average cost of common equity and Y_t is the average dividend yield.

The attached appendix provides the supporting data for this update. The median dividend yields for the 99-company sample of utilities for the first and second quarters of 1988 are 7.76 and 7.91 percent, respectively. The average yield for those two quarters is 7.84 percent. Use of the average dividend yield in the above formula produces an average cost of common equity of 12.36 percent.

This notice supplements the generic rate of return rule announced in Order No. 489, issued January 29, 1988 and effective on February 1, 1988.

List of Subjects in 18 CFR Part 37

Electric power rates, Electric utilities, Reporting and recordkeeping requirements.

In consideration of the foregoing, the Commission amends Part 37, Chapter I, Title 18 of the Code of Federal Regulations as set forth below, effective August 1, 1988.

Douglas R. Bohi,

Director, Office of Economic Policy.

PART 37—GENERIC DETERMINATION OF RATE OF RETURN ON COMMON EQUITY FOR PUBLIC UTILITIES

1. The authority citation for Part 37 continues to read as follows:

Authority: Federal Power Act, 16 U.S.C. 791a-825r (1982); Department of Energy Organization Act, 42 U.S.C. 7101-7352 (1982).

2. In § 37.9, paragraph (d) is revised to read as follows:

§ 37.9 Quarterly Indexing Procedure

* * * * *

(d) *Table of Quarterly Benchmark Rates of Return.*

The following table presents the quarterly benchmark rates of return on common equity:

[1] Generic Determination of Rate of Return on Common Equity for Public Utilities, Order No. 489, 53 FR 3342 (Feb. 5, 1988), III FERC Stats. & Regs. ¶ 30,795 (Jan. 29, 1988).

[2] 18 CFR 37.9 (1987).

[3] As a result of the acquisition of Savannah Electric & Power Company by the Southern Company, the Commission has reduced the number of companies in the sample for the most recent quarter to 99. It has made this change in accordance with the criteria for inclusion in the sample specified in 18 CFR 37.9(c) (1987).

Benchmark applicability period (t)	Dividend increase adjustment factor (a)	Expected growth adjustment factor (b)	Current dividend yield (Y_t)	Cost of common equity (k_t)	Benchmark rate of return
2/1/86-4/30/86	1.02	4.54	9.03	13.75	13.75
5/1/86-7/31/86	1.02	4.54	8.37	13.08	13.25
8/1/86-10/31/86	1.02	4.54	7.49	12.18	12.75
11/1/86-1/31/87	1.02	4.54	6.75	11.43	12.25
2/1/87-4/30/87	1.02	4.63	6.44	11.20	11.20
5/1/87-7/31/87	1.02	4.64	6.54	11.30	11.30
8/1/87-10/31/87	1.02	4.63	6.97	11.74	11.74
11/1/87-1/31/88	1.02	4.63	7.49	12.27	12.27
2/1/88-4/30/88	1.02	4.36	7.90	12.42	12.42
5/1/88-7/31/88	1.02	4.36	7.99	12.51	12.51
8/1/88-10/31/88	1.02	4.36	7.84	12.36	12.36

Note.—The Appendix will not be published in Code of Federal Regulations

Appendix

Exhibit No. and Title

1 Initial sample of utilities
2 Utilities excluded from the sample for the indicated quarter due to either zero dividends or a cut in dividends for this quarter or the prior three quarters
3 Annualized dividend yields for the indicated quarter for utilities retained in the sample

Source of Data

Standard and Poor's Compustat Services, Inc., Utility COMPUSTAT II Quarterly Data Base.

BILLING CODE 6717-01-M

EXHIBIT 1

SAMPLE OF UTILITIES

UTILITY	TICKER SYMBOL	INDUSTRY CODE	UTILITY	TICKER SYMBOL	INDUSTRY CODE
ALLEGHENY POWER SYSTEM	AYP	4911	MIDDLE SOUTH UTILITIES	MSU	4911
AMERICAN ELECTRIC POWER	AEP	4911	MIDWEST ENERGY CO	MWE	4931
ATLANTIC ENERGY INC	ATE	4911	MINNESOTA POWER & LIGHT	MPL	4911
BALTIMORE GAS & ELECTRIC	BGE	4931	MONTANA POWER CO	MTP	4931
BLACK HILLS CORP	BKH	4911	NECO ENTERPRISES INC	NPT	4911
BOSTON EDISON CO	BSE	4911	NEVADA POWER CO	NVP	4911
CAROLINA POWER & LIGHT	CPL	4911	NEW ENGLAND ELECTRIC SYSTEM	NES	4911
CENTERIOR ENERGY CORP	CX	4911	NEW YORK STATE ELEC & GAS	NGE	4931
CENTRAL & SOUTH WEST CORP	CSR	4911	NIAGARA MOHAWK POWER	NMK	4931
CENTRAL HUDSON GAS & ELEC	CNH	4931	NIPSCO INDUSTRIES INC	NI	4931
CENTRAL ILL PUBLIC SERVICE	CIP	4931	NORTHEAST UTILITIES	NU	4911
CENTRAL LOUISIANA ELECTRIC	CNL	4911	NORTHERN STATES POWER-MN	NSP	4931
CENTRAL MAINE POWER CO	CTP	4911	OHIO EDISON CO	OEC	4911
CENTRAL VERMONT PUB SERV	CV	4911	OKLAHOMA GAS & ELECTRIC	OGE	4911
CILCORP INC	CER	4931	ORANGE & ROCKLAND UTILITIES	ORU	4931
CINCINNATI GAS & ELECTRIC	CIN	4931	PACIFIC GAS & ELECTRIC	PCG	4931
CMS ENERGY CORP	CMS	4931	PACIFICORP	PPW	4931
COMMONWEALTH EDISON	CWE	4911	PENNSYLVANIA POWER & LIGHT	PPL	4911
COMMONWEALTH ENERGY SYSTEM	CES	4931	PHILADELPHIA ELECTRIC CO	PE	4931
CONSOLIDATED EDISON OF NY	ED	4931	PINNACLE WEST CAPITAL CORP	PNW	4911
DELMARVA POWER & LIGHT	DEW	4931	PORTLAND GENERAL CORP	PGN	4911
DETROIT EDISON CO	DTE	4911	POTOMAC ELECTRIC POWER	POM	4911
DOMINION RESOURCES INC-VA	D	4931	PSI HOLDINGS INC	PIN	4911
DPL INC	DPL	4931	PUBLIC SERVICE CO OF COLO	PSR	4931
DUKE POWER CO	DUK	4911	PUBLIC SERVICE CO OF N H	PNH	4911
DUQUESNE LIGHT CO	DQU	4911	PUBLIC SERVICE CO OF N MEX	PNM	4931
EASTERN UTILITIES ASSOC	EUA	4911	PUBLIC SERVICE ENTERPRISE GP	PEG	4931
EMPIRE DISTRICT ELECTRIC CO	EDE	4911	PUGET SOUND POWER & LIGHT	PSD	4911
FITCHBURG GAS & ELEC LIGHT	FGE	4931	ROCHESTER GAS & ELECTRIC	RGS	4931
FLORIDA PROGRESS CORP	FPC	4911	SAN DIEGO GAS & ELECTRIC	SDO	4931
FPL GROUP INC	FPL	4911	SCANA CORP	SCG	4931
GENERAL PUBLIC UTILITIES	GPU	4911	SIERRA PACIFIC RESOURCES	SRP	4931
GREEN MOUNTAIN POWER CORP	GMP	4911	SOUTHERN CALIF EDISON CO	SCE	4911
GULF STATES UTILITIES CO	GSU	4911	SOUTHERN CO	SO	4911
HAWAIIAN ELECTRIC INDS	HE	4911	SOUTHERN INDIANA GAS & ELEC	SIG	4931
HOUSTON INDUSTRIES INC	HOU	4911	ST JOSEPH LIGHT & POWER	SAJ	4931
I E INDUSTRIES INC	IEL	4931	TECO ENERGY INC	TE	4911
IDAHO POWER CO	IDA	4911	TEXAS UTILITIES CO	TXU	4911
ILLINOIS POWER CO	IPC	4931	TNP ENTERPRISES INC	TNP	4911
INTERSTATE POWER CO	IPW	4931	TUCSON ELECTRIC POWER CO	TEP	4911
IOWA RESOURCES INC	IOR	4911	UNION ELECTRIC CO	UEP	4911
IOWA-ILLINOIS GAS & ELEC	IWG	4931	UNITED ILLUMINATING CO	UIL	4911
IPALCO ENTERPRISES INC	IPL	4911	UNITIL CORP	UTL	4911
KANSAS CITY POWER & LIGHT	KLT	4911	UTAH POWER & LIGHT	UTP	4911
KANSAS GAS & ELECTRIC	KGE	4911	UTILICORP UNITED INC	UCU	4931
KANSAS POWER & LIGHT	KAN	4931	WASHINGTON WATER POWER	WWP	4931
KENTUCKY UTILITIES CO	KU	4911	WISCONSIN ENERGY CORP	WEC	4931
LONG ISLAND LIGHTING	LIL	4931	WISCONSIN PUBLIC SERVICE	WPS	4931
LOUISVILLE GAS & ELECTRIC	LOU	4931	WPL HOLDINGS INC	WPH	4931
MAINE PUBLIC SERVICE	MAP	4911			

N = 99

EXHIBIT 2

UTILITIES EXCLUDED FROM THE SAMPLE FOR THE INDICATED QUARTER
DUE TO EITHER ZERO DIVIDENDS OR A CUT IN DIVIDENDS FOR
THIS QUARTER OR THE PRIOR THREE QUARTERS

------------------------------ YEAR=88 QUARTER=2 ------------------------------

TICKER SYMBOL	UTILITY	REASON FOR EXCLUSION
CMS	CMS ENERGY CORP	DIVIDEND RATE WAS ZERO FOR THE QUARTER ENDING 06/30/88
CNH	CENTRAL HUDSON GAS & ELEC	DIVIDEND RATE REDUCED IN THE QUARTER ENDING 03/31/88
CX	CENTERIOR ENERGY CORP	DIVIDEND RATE REDUCED IN THE QUARTER ENDING 06/30/88
GSU	GULF STATES UTILITIES CO	DIVIDEND RATE WAS ZERO FOR THE QUARTER ENDING 06/30/88
LIL	LONG ISLAND LIGHTING	DIVIDEND RATE WAS ZERO FOR THE QUARTER ENDING 06/30/88
MSU	MIDDLE SOUTH UTILITIES	DIVIDEND RATE WAS ZERO FOR THE QUARTER ENDING 06/30/88
NGE	NEW YORK STATE ELEC & GAS	DIVIDEND RATE REDUCED IN THE QUARTER ENDING 03/31/88
NI	NIPSCO INDUSTRIES INC	DIVIDEND RATE WAS ZERO FOR THE QUARTER ENDING 09/30/87
NMK	NIAGARA MOHAWK POWER	DIVIDEND RATE REDUCED IN THE QUARTER ENDING 09/30/87
PIN	PSI HOLDINGS INC	DIVIDEND RATE WAS ZERO FOR THE QUARTER ENDING 06/30/88
PNH	PUBLIC SERVICE CO OF N H	DIVIDEND RATE WAS ZERO FOR THE QUARTER ENDING 06/30/88
PNM	PUBLIC SERVICE CO OF N MEX	DIVIDEND RATE REDUCED IN THE QUARTER ENDING 06/30/88
RGS	ROCHESTER GAS & ELECTRIC	DIVIDEND RATE REDUCED IN THE QUARTER ENDING 09/30/87

N= 13

EXHIBIT 3

ANNUALIZED DIVIDEND YIELDS FOR THE INDICATED QUARTER FOR UTILITIES RETAINED IN THE SAMPLE

YEAR=88 QUARTER=2

TICKER SYMBOL	PRICE, 1ST MONTH OF QRTR-HIGH	PRICE, 1ST MONTH OF QRTR-LOW	PRICE, 2ND MONTH OF QRTR-HIGH	PRICE, 2ND MONTH OF QRTR-LOW	PRICE, 3RD MONTH OF QRTR-HIGH	PRICE, 3RD MONTH OF QRTR-LOW	AVERAGE PRICE	DIVIDENDS: ANNUAL RATE	ANNUALIZED DIVIDEND YIELD
AEP	28.375	26.125	28.625	25.875	29.250	27.500	27.625	2.260	8.181
ATE	33.750	31.500	33.750	32.000	35.000	32.625	33.104	2.760	8.337
AYP	38.375	35.875	39.125	36.000	40.375	36.875	37.771	3.000	7.943
BGE	32.125	30.000	32.750	30.625	33.750	31.125	31.729	2.000	6.303
BKH	27.375	25.250	26.500	25.000	28.125	25.750	26.333	1.400	5.316
BSE	16.500	15.375	15.625	12.500	15.875	13.500	14.896	1.820	12.218
CER	32.750	30.250	32.875	31.500	34.500	32.125	32.333	2.400	7.423
CES	30.000	27.500	28.500	26.500	31.000	28.250	28.625	2.800	9.782
CIN	26.625	25.125	27.000	25.375	29.000	27.000	26.688	2.240	8.393
CIP	21.625	20.250	21.750	20.000	22.000	21.250	21.146	1.760	8.323
CNL	33.875	32.250	33.250	31.625	33.875	32.625	32.917	2.320	7.048
CPL	34.625	31.875	34.875	32.625	35.250	34.125	33.896	2.760	8.143
CSR	32.125	30.000	32.500	30.500	33.875	31.625	31.771	2.440	7.680
CTP	17.375	15.875	17.375	16.375	18.000	17.125	17.021	1.480	8.695
CV	23.500	22.375	24.500	22.875	25.375	23.625	23.708	1.900	8.014
CWE	27.250	22.750	24.375	23.375	28.875	24.250	25.146	3.000	11.930
D	43.500	40.875	43.500	41.375	44.500	42.500	42.708	3.080	7.212
DEW	18.000	16.875	17.500	16.500	19.000	17.125	17.500	1.460	8.343
DPL	26.125	23.750	26.875	24.000	27.625	26.250	25.771	2.160	8.382
DQU	14.875	14.375	14.875	14.125	15.125	14.625	14.667	1.200	8.182
DTE	13.875	13.125	13.750	12.000	14.125	13.000	13.313	1.680	12.620
DUK	45.500	42.500	45.500	42.250	47.875	44.625	44.708	2.800	6.263
ED	44.375	42.000	44.000	40.875	45.375	43.375	43.333	3.200	7.385
EDE	30.625	30.000	30.500	29.250	30.500	29.250	30.021	2.120	7.062
EUA	25.250	22.875	24.000	21.125	25.125	23.000	23.563	2.400	10.186
FGE	29.000	26.750	27.500	25.750	27.375	26.125	27.083	1.720	6.351
FPC	34.750	32.000	34.625	33.625	35.625	34.500	34.188	2.480	7.254
FPL	30.000	27.750	30.625	28.500	31.375	30.000	29.708	2.200	7.405
GMP	25.125	23.500	23.875	22.125	24.375	22.750	23.625	1.860	7.873
GPU	33.500	31.250	34.625	32.125	35.250	33.375	33.354	1.200	3.598
HE	33.625	31.125	32.250	30.500	31.750	30.500	31.625	1.920	6.071
HOU	31.750	29.375	31.375	29.375	32.500	30.375	30.792	2.960	9.613
IDA	24.750	22.125	22.875	20.875	22.750	21.125	22.417	1.800	8.030
IEL	24.250	23.000	23.750	22.500	24.000	22.750	23.375	2.020	8.642
IOR	20.750	17.000	17.375	15.875	18.000	15.250	17.375	1.660	9.554
IPC	22.500	17.375	17.875	16.500	19.750	17.250	18.542	2.640	14.238
IPL	23.375	21.750	23.375	22.125	24.250	22.625	22.917	1.640	7.156
IPW	22.250	20.875	21.625	19.875	22.500	20.375	21.250	1.960	9.224
IWG	39.625	35.625	37.250	33.750	38.000	36.000	36.708	3.180	8.663
KAN	25.125	23.125	24.625	23.625	25.125	24.000	24.271	1.720	7.087
KGE	20.250	18.625	20.375	18.625	20.875	19.000	19.625	1.480	7.541
KLT	27.625	26.125	28.625	27.375	29.500	28.750	28.000	2.240	8.000
KU	19.750	18.125	18.875	17.625	19.000	18.250	18.604	1.340	7.203
LOU	32.625	31.500	33.750	31.750	35.625	33.625	33.146	2.660	8.025
MAP	28.500	26.000	29.625	28.625	30.500	29.000	28.708	2.000	6.967
MPL	24.625	22.000	25.750	23.375	26.000	24.125	24.313	1.720	7.075
MTP	35.000	32.125	35.000	33.000	35.875	34.500	34.250	2.680	7.825
MWE	20.000	18.125	19.250	17.750	19.375	18.000	18.750	1.520	8.107
NES	22.125	20.000	21.750	20.000	24.000	21.375	21.542	2.040	9.470
NPT	21.750	20.125	20.500	19.750	19.875	19.250	20.208	1.500	7.423
NSP	31.500	29.500	31.250	29.250	33.000	30.250	30.792	2.120	6.885

EXHIBIT 3 Continued

ANNUALIZED DIVIDEND YIELDS FOR THE INDICATED QUARTER FOR UTILITIES RETAINED IN THE SAMPLE

YEAR=88 QUARTER=2

TICKER SYMBOL	PRICE, 1ST MONTH OF QRTR-HIGH	PRICE, 1ST MONTH OF QRTR-LOW	PRICE, 2ND MONTH OF QRTR-HIGH	PRICE, 2ND MONTH OF QRTR-LOW	PRICE, 3RD MONTH OF QRTR-HIGH	PRICE, 3RD MONTH OF QRTR-LOW	AVERAGE PRICE	DIVIDENDS: ANNUAL RATE	ANNUALIZED DIVIDEND YIELD
NU	20.250	18.875	19.875	18.500	20.375	18.875	19.458	1.760	9.045
NVP	22.000	20.000	21.125	19.750	21.500	20.125	20.750	1.480	7.133
OEC	19.250	17.250	18.875	17.625	19.000	17.875	18.313	1.960	10.703
OGE	31.125	29.125	32.000	30.125	32.750	31.750	31.146	2.280	7.320
ORU	30.125	28.000	29.375	28.125	31.250	28.750	29.271	2.220	7.584
PCG	16.000	14.250	15.875	14.000	16.125	15.125	15.229	1.920	12.607
PE	19.125	16.875	18.375	16.875	19.000	17.500	17.958	2.200	12.251
PEG	24.000	22.000	23.875	22.000	25.000	23.500	23.396	2.000	8.549
PGN	22.625	21.250	23.500	22.125	24.125	22.250	22.646	1.960	8.655
PNW	28.000	25.000	25.125	22.750	24.875	23.000	24.792	2.800	11.294
POM	22.375	20.875	22.500	20.125	23.125	21.375	21.729	1.380	6.351
PPL	35.375	33.625	36.875	34.500	37.500	35.375	35.542	2.760	7.766
PPW	35.250	33.250	35.375	33.500	37.000	35.000	34.896	2.640	7.565
PSD	19.750	18.250	19.250	18.125	19.750	18.625	18.958	1.760	9.284
PSR	21.750	20.500	22.000	21.250	23.125	21.625	21.708	2.000	9.213
SAJ	24.500	21.750	22.000	20.125	22.750	20.250	21.896	1.400	6.394
SCE	32.000	30.000	33.625	30.500	37.250	32.500	32.646	2.380	7.290
SCG	31.625	30.000	32.875	30.625	33.750	31.625	31.750	2.400	7.559
SDO	32.500	30.625	33.625	30.625	33.875	31.875	32.188	2.600	8.078
SIG	27.250	26.000	28.750	26.250	29.250	27.000	27.417	1.700	6.201
SO	23.375	21.750	23.375	21.750	23.750	22.750	22.792	2.140	9.389
SRP	22.875	21.500	22.125	21.000	23.500	21.875	22.146	1.760	7.947
TE	23.250	21.375	22.500	21.250	24.000	22.625	22.500	1.420	6.311
TEP	58.250	54.750	57.250	54.875	58.625	55.500	56.542	3.900	6.898
TNP	19.000	18.125	19.250	18.500	19.875	19.125	18.979	1.470	7.745
TXU	26.250	24.750	25.875	25.000	27.125	25.125	25.688	2.880	11.212
UCU	19.363	17.770	20.098	18.000	19.375	18.000	18.768	1.040	5.541
UEP	23.875	21.875	23.750	21.750	24.375	22.625	23.042	1.920	8.333
UIL	20.500	19.750	21.750	19.125	23.000	19.500	20.604	2.320	11.260
UTL	30.125	29.250	29.875	28.750	29.250	27.875	29.188	2.040	6.989
UTP	30.750	29.375	31.000	29.875	30.875	27.500	29.896	2.320	7.760
WEC	25.375	23.750	26.250	24.625	27.375	26.000	25.563	1.540	6.024
WPH	45.500	42.625	44.625	43.000	47.125	44.625	44.583	3.240	7.267
WPS	21.875	21.000	22.000	20.625	22.750	21.875	21.688	1.540	7.101
WWP	26.375	24.375	26.875	25.500	28.250	26.375	26.292	2.480	9.433

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