

funds with rule 12b-1 plans. As discussed above, rule 12b-1 requires the board of each fund with a rule 12b-1 plan to (i) review quarterly reports of amounts spent under the plan and (ii) annually consider the plan's continuation (which generally is combined with the fourth quarterly review). This results in a total number of annual responses per fund of four and an estimated total number of industry responses of 18,000 (4,500 funds  $\times$  4 annual responses per fund = 18,000 responses).

Based on conversations with fund industry representatives, Commission staff estimates that for each of the 4,500 mutual funds that currently have a rule 12b-1 plan, the average annual burden of complying with the rule is 50 hours to maintain the plan. This estimate takes into account the time needed to prepare quarterly reports to the board of directors, the board's consideration of those reports, and the board's annual consideration of the plan's continuation. Commission staff therefore estimates that the total burden of the rule's paperwork requirements is 225,000 hours (4,500 funds  $\times$  50 hours per fund = 225,000 hours).

The estimate of burden hours is made solely for the purposes of the Paperwork Reduction Act. The estimate is not derived from a comprehensive or even a representative survey or study of Commission rules.

If a currently operating fund seeks to (i) adopt a new rule 12b-1 plan or (ii) materially increase the amount it spends for distribution under its rule 12b-1 plan, rule 12b-1 requires that the fund obtain shareholder approval. As a consequence, the funds will incur the cost of a proxy. Commission staff estimates that four funds per year prepare a proxy in connection with the adoption or material amendment of a rule 12b-1 plan. Commission staff further estimates that the cost of each fund's proxy is \$15,000. Thus the total annualized cost burden of rule 12b-1 to the fund industry is \$60,000 (4 funds requiring a proxy  $\times$  \$15,000 per proxy).

The collections of information required by rule 12b-1 are necessary to obtain the benefits of the rule. Notices to the Commission will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments are requested on: (a) Whether the collections of information are necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the

accuracy of the Commission's estimate of the burdens of the collection of information; (c) ways to enhance the quality, utility and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW, Washington, DC 20549.

Dated: March 24, 2000.

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27158]

### Filings Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

March 24, 2000.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by April 18, 2000, to the Secretary, Securities and Exchange Commission, Washington, DC 20549-0609, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After April 18, 2000, the

application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

### American Electric Power Company, Inc., et al. (70-8307)

American Electric Power Company, Inc. ("AEP"), a registered holding company, and AEP Resources Service Company ("RESCO"),<sup>1</sup> a wholly owned service subsidiary of AEP, both located in 1 Riverside Plaza, Columbus, Ohio 43215, have filed a post-effective amendment under sections 6(a), 7, 12(b) and 13(b) of the Act, and rules 45, 54, 90 and 91 under the Act, to their application-declaration filed under the Act.

By order dated April 12, 1982 (HCAR No. 22468) ("1982 Order"), RESCO was authorized to sell management, technical and training expertise and certain technical and procedural resources ("Consulting Services") to nonaffiliated entities. By order dated April 5, 1995 (HCAR No. 26267), the Commission authorized RESCO to provide project development, engineering, design, construction and construction management, operating fuel management, maintenance and power plant overhaul and other similar kinds of managerial and technical services ("Power Project Services"). Under the terms of the April 1995 Order, RESCO was authorized to provide Power Project Services to both affiliated and nonaffiliated exempt wholesale generators ("EWGs") (as defined in the Act and rules under the Act), foreign utility companies ("FUCOs") (as defined in the Act and rules under the Act), qualifying cogeneration facilities ("QFs") and small power production facilities (as defined in the Public Utility Regulatory Policies Act of 1978 ("PURPA") and rules under PURPA), and other projects relating to the generation, transmission and distribution of electric power (collectively, "Power Projects"). RESCO was also authorized in the April 1995 Order to provide Consulting Services and Power Project Services in foreign jurisdictions. In addition, the 1995 Order authorized RESCO to provide energy management and demand-side management services in the United States (collectively with Power Project Services and Consulting Services, "Authorized Services"). The April 1995 Order also authorized an exemption under section 13(b) from the requirements of rules 90 and 91 as applicable to transactions under certain

<sup>1</sup> RESCO's name was changed from AEP Energy Services, Inc. on March 7, 1997.

circumstances.<sup>2</sup> By Order dated March 7, 1997 (HCAR No. 26682), RESCO was authorized to form one or more partly or wholly owned subsidiaries ("New Subsidiaries") to provide one or more of the Authorized Services.

To the extent not exempt of otherwise authorized by the Commission, RESCO also requests an exemption from the "at-cost" requirements of rules 90 and 91 for Authorized Services rendered by RESCO or any New Subsidiary to any partially owned associate Power Project, exempt telecommunications company (as defined in section 34 of the Act), or energy-related company (as defined in Rule 58 under the Act) or New Subsidiary, provided that the ultimate purchaser of the Authorized Services is not an associate public utility company or a subsidiary of AEP whose activities and operations are primarily related to the provision of services or goods to associate public utility companies. In addition the Applicants request that the exemption apply to Authorized Services RESCO provides to any subsidiary of AEP Resources, Inc., ("Resources")<sup>3</sup> a nonutility subsidiary of AEP, (i) that is engaged solely in the business of developing, owning, operating and/or providing Authorized Services to those exempt Power Projects enumerated above, or (ii) that does not derive directly or indirectly, any material part of its income from sources within the United States and is not a public utility company operating within the United States.

By orders dated April 5, 1995, December 28, 1995 and December 16, 1998 (HCAR Nos. 26267, 26442 and 26952, respectively) the Commission authorized AEP to: (1) Guarantee the

debt of RESCO in an amount not to exceed \$51 million through December 31, 2001; and (2) issue guarantees and assumptions of liability on behalf of RESCO to third parties in an aggregate amount not to exceed \$200 million through December 31, 2001 (collectively, the "Guarantee Authority").

Applicants now propose to extend the period of Guarantee Authority through June 30, 2004. Applicants also propose that the Guarantee Authority be increased to allow AEP to (1) guarantee the debt of RESCO to third parties in an amount not to exceed \$400 million and (2) issue guarantees and assumptions of liability on behalf of RESCO to third parties in an amount not to exceed \$400 million. Applicants state that the authority sought is necessary, in part, because RESCO has entered into an agreement with National Power Cooperative, Inc. ("National"), an affiliate of Buckeye Power, Inc., to design, engineer, procure all materials and equipment and construct for National a 510 megawatt gas-fired peaking unit. In addition, Applicants are investigating several opportunities to, among other things, design, engineer and procure equipment and materials to construct generating stations and other projects relating to the generation, transmission and distribution of electric power.

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

**Margaret H. McFarland,**  
*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release 34-42568; File No. 600-22]

### Self-Regulatory Organizations; MBS Clearing Corporation; Notice of Filing and Order Extending Temporary Registration as a Clearing Agency

March 23, 2000.

Notice is hereby given that on February 8, 2000, MBS Clearing Corporation ("MBSCC") filed with the Securities and Exchange Commission ("Commission") an application pursuant to Section 19(a) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> requesting that the Commission grant MBSCC full registration as a clearing agency or in the alternative extend MBSCC's

temporary registration as a clearing agency until such time as the Commission is able to grant MBSCC permanent registration.<sup>2</sup> The Commission is publishing this notice and order to solicit comments from interested persons and to extend MBSCC's temporary registration as a clearing agency through March 31, 2001.

On February 2, 1987, pursuant to Sections 17A(b) and 19(a) of the Act<sup>3</sup> and Rule 17Ab2-1 promulgated thereunder,<sup>4</sup> the Commission granted MBSCC registration as a clearing agency on a temporary basis for a period of eighteen months.<sup>5</sup> The Commission subsequently has extended MBSCC's registration through March 31, 2000.<sup>6</sup>

As discussed in detailed in the original order granting MBSCC's registration, one of the primary reasons for MBSCC's registration was to enable it to provide for the safe and efficient clearance and settlement of transactions in mortgage-backed securities. Since its original temporary registration order, MBSCC has implemented many improvements and continues to work towards enhancing the safety and efficiency of its operations. For example, during the past year, MBSCC amended its risk management rules to: (i) Implement a net-out report, (ii) modify financial reporting by participants, (iii) modify certain special provisions applicable to non-domestic participants, (iv) add a provision for additional assurances, and (v) clarify MBSCC's role as a agent in a liquidation.<sup>7</sup> MBSCC also modified its rules regarding letters of credit to implement the Uniform Letter of Credit developed by the Unified Clearing Group.<sup>8</sup> In addition, MBSCC amended its rules to add net position and net-out position components to the formula MBSCC uses to calculate market margin differential deposits to the participants fund.<sup>9</sup> MBSCC adopted rules to

<sup>2</sup> Letter from Anthony Davidson, Managing Director and General Counsel, MBSCC (February 8, 2000).

<sup>3</sup> 15 U.S.C. 78q-1(b) and 78s(a).

<sup>4</sup> 17 CFR 240.17Ab2-1.

<sup>5</sup> Securities Exchange Act Release No. 24046 (February 2, 1987), 52 FR 4218.

<sup>6</sup> Securities Exchange Act Release Nos. 25957 (August 2, 1988), 53 FR 29537; 27079 (July 31, 1989), 54 FR 34212; 28492 (September 28, 1990), 55 FR 41148; 29751 (September 27, 1991), 56 FR 50602; 31750 (January 21, 1993), 58 FR 6424; 33348 (December 15, 1993), 58 FR 68183; 35132 (December 21, 1994) 59 FR 67743; 37372 (June 26, 1996) 61 FR 35281; 38784 (June 27, 1997), 62 FR 36587; 39776 (March 20, 1998), 63 FR 14740; and 41211 (March 24, 1999), 64 FR 15854.

<sup>7</sup> Securities Exchange Act Release No. 41714 (August 6, 1999), 64 FR 44250.

<sup>8</sup> Securities Exchange Act Release No. 41803 (August 27, 1999), 64 FR 48692.

<sup>9</sup> Securities Exchange Act Release No. 42173 (November 23, 1999), 64 FR 67363.

<sup>2</sup> The exemption applies to a transaction when a Power Project entity is: (a) a FUCO, or an EWG which derives no part of its income, directly, or indirectly, from the generation, transmission, or distribution of electric energy for sale within the United States; or (b) an EWG which sells electricity at market-based rates which have been approved by the Federal Energy Regulatory Commission ("FERC") or the appropriate state public utility commission, provided that the purchaser of such electricity is not an associate company of RESCO within the AEP System; or (c) a QF that sells electricity exclusively (i) at rates negotiated at arms'-length to one or more industrial or commercial customers purchasing such electricity for their own use and not for resale, and/or (ii) to an electricity utility company, other than any associate company of RESCO within the AEP System, at the purchaser's "avoided cost" as determined in accordance with the regulations under the Public Utility Regulatory Policies Act of 1978; or (d) an EWG or QF that sells electricity at rates based upon its cost of service, as approved by FERC or any state public utility commission having jurisdiction, provided that the purchaser of such electricity is not an associate company of RESCO with the AEP System.

<sup>3</sup> Resources is involved in preliminary development activities related to Power Projects.

<sup>1</sup> 15 U.S.C. 78s(a).