CATEGORIES OF RECORDS IN THE SYSTEM:

[CHANGE TO READ:] Information needed to issue building access badges to employees and contractors. This information includes name, social security number, date of birth, home address, emergency contact name and telephone number, image (photograph); organization/office of assignment; employee's title and work number, supervisor's title and work number, and security badge issue information such as access level. The system also contains information controlling the issuance of accountable Postal Service property, such as equipment and controlled documents. That information includes name, social security number, equipment description, equipment serial numbers, and issuance date.

* * * * *

PURPOSE(S):

[CHANGE TO READ:] To ensure employee and building safety and security by controlling access to Postal Service buildings and facilities; and to protect Postal Service accountable property and equipment by controlling issuance.

* * * * *

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING, AND DISPOSING OF RECORDS IN THE SYSTEM:

* * * * *

SAFEGUARDS:

[CHANGE TO READ:] Hard copy records and computers containing information within this system of records are located in buildings and/or areas with controlled access. Information within computer systems is protected by computer security technology including the use of logon IDs and passwords. Access to automated and hard copy records is given on an official need-to-know basis.

USPS 140.020

SYSTEM NAME:

Postage-Postage Evidencing System Records, 140.020.

* * * * *

CATEGORIES OF RECORDS IN THE SYSTEM:

[CHANGE TO READ:] Customer name and address, change of address information, corporate business customer information (CBCIS) number, business profile information, estimated annual postage and annual percentage of mail by type, type of usage (customer, postal, or government), post office where mail is entered, license number, date of issuance, ascending and descending register values, device identification number, device model number, certificate serial number, amount and date of postage purchases, amount of unused postage refunded, contact telephone number, date, destinating five-digit ZIP Code and rate category of each indicium created, and transaction documents.

USPS 170.010

SYSTEM NAME:

Operations Data Collection Systems-Workload/Productivity Management Records, 170.010.

* * * * *

SYSTEM MANAGER(S) AND ADDRESS:

[CHANGE TO READ:] Senior Vice President Operations, United States Postal Service, 475 L'Enfant Plz SW, Washington DC 20260–2700.

(Real-Time Productivity Management System and Delivery Operations Information System)

Other Covered Systems—the department or facility head where such records are required.

Stanley F. Mires,

Chief Counsel, Legislative.

[FR Doc. 00–16008 Filed 6–23–00; 8:45 am]

BILLING CODE 7710–12–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 35–27189]

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

June 20, 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 July 14, 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 July 14, 2000, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Sierra Pacific Resources, et al. (70–9619)

Sierra Pacific Resources (''Sierra Pacific''), 6100 Neil Road, Reno, Nevada 89511, a public utility holding company claiming exemption from registration under section 3(a)(1) of the Act by rule 2, and Portland General Electric Company (''PGE''), 121 SW Salmon Street, Portland, Oregon 97204, a wholly owned electric public utility subsidiary company of Enron Corporation (''Enron''), a holding company also claiming exemption under section 3(a)(1) of the Act by rule 2, have filed a joint application-declaration under sections 6(a), 7, 9(a), 10, and 11(b) of the Act and rule 54 under the Act.

Sierra Pacific proposes to acquire from Enron all of the issued and outstanding common stock of PGE and PGH II, Inc. (''PHG II''), an indirect subsidiary of Enron and an affiliate of PGE (the ''Merger''). Sierra Pacific and PGE (collectively, the ''Applicants'') also request authority to: (1) Continue to operate Sierra Pacific Power company (''SPPC''), Sierra Pacific's wholly owned public utility subsidiary, as a combination electric and gas public utility; (2) retain SPPC's existing water-utility business; (3) retain Sierra Pacific's, PGE's and PHG II's respective nonutility subsidiary businesses; and (4) issue securities in order to finance the Merger. Following the Merger, Sierra Pacific will register under section 5 of the act.[1]

Under the terms of a Stock Purchase Agreement dated as of November 5, 1999 (''Stock Purchase Agreement'') by and between Sierra Pacific and Enron, Enron will sell PGE and cause Portland General Holdings, Inc., Enron's wholly owned subsidiary, to sell PGH II, to Sierra Pacific for $2.1 billion in cash, reduced by the book value of certain obligations of Enron under an order of the Oregon Public Utilities Commission

[1] In a separate filing, Sierra Pacific also has asked the Commission to approve the formation of a subsidiary service company under section 13 of the Act and rules 88, 90 and 91 under the Act *See* File No. 70–9621. This separate filing is being noticed contemporaneously with the Merger notice.

(''Oregon PUC'').[2] Sierra Pacific will assume Enron's Merger Payment Obligations (as defined in footnote 2) effective as of the Merger's closing date.

A. Description of the Parties

1. Sierra Pacific

Sierra Pacific owns all of the common stock of two public utility companies: SPPC, a combination electric and gas public utility company based in Reno, Nevada; and Nevada Power Company (''Nevada Power''), an electric public utility company based in Las Vegas, Nevada. For the year ended December 31, 1999, Sierra Pacific's operating revenues on a consolidated basis were approximately $1.3 billion, of which $9.1 million are attributable to nonutility activities. Consolidated assets of Sierra Pacific at December 31, 1999 were approximately $5.2 billion, of which approximately $3.8 billion consisted of net utility plant and equipment. At December 31, 1999, Sierra Pacific and it subsidiary companies employed 3,250 employees, of which 1,430 were employed by SPPC and 1,677 by Nevada Power.

SPPC provides electric service to approximately 302,000 retail customers in northern Nevada and northeastern California. SPPC also sells electric power at wholesale. In the Reno/Sparks area of northwestern Nevada, SPPC distributes natural gas at retail to approximately 110,000 customers. For the year ended December 31, 1999, SPPC had total consolidated assets of approximately $2.1 billion, including net utility plant in service of $1.6 billion, consolidated utility operating revenues of approximately $764 million, and consolidated net income of approximately $66 million. During 1999, 83.9% of SPPC's revenues were from retail sales of electricity, natural gas and water in Nevada, 5.1% from retail sales of electricity in California, and 9.9% from wholesale sales of electricity and gas. SPPC's 1999 electric and gas operating revenues, which totaled $709 million, were comprised of its electric business ($609 million, or 86%) and its natural gas business ($100 million, or 14%). Of these 1999 electric and gas operating revenues, $644 million, or 91%, were from sales n Nevada and $65 million, or 9% were from sales in California. SPPC is subject to regulation by the Public Utilities Commission of Nevada (''Nevada PUC''), the California Public Utilities Commission (''California PUC''), and the Federal Energy Regulatory Commission (''FERC'') under the Federal Power Act.

SPPC also provides water service to about 71,000 customers. SPPC's 1999 water business operating revenues were $54.3 million.

Nevada Power provides retail electric service to approximately 566,700 customers in Clark county, Nevada, with limited additional service provided to the Federal Department of Energy (U.S. Government Test Site) in Nye County, Nevada. Nevada Power also sells electric power at wholesale. For the year ended December 31, 19991, Nevada Power and its subsidiary companies had total consolidated assets of approximately $3.4 billion, of which approximately $2.4 billion consisted of net electric plant and equipment, consolidated utility operating revenues of approximately $977 million, resulting in a net income of approximately $52 million. Nevada Power is subject to regulation by the Nevada PUC and the FERC.

Sierra Pacific is engaged in nonutility business through the following active subsidiary companies: Tuscarora Gas Pipeline Company (''Tuscarora''); Sierra Energy Company d/b/a e.three (''e.three''), Lands of Sierra, Inc.'' (''LOS''); Sierra Pacific Communications (''SPC''); Sierra Pacific Energy Company (''SPEC''); Commonsite Inc. (''Commonsite''); NVP Capital I (''NVP I''); NVP Capital II (NVP II); Nevada Electric Investment Company (''NEICO''); Northwind Las Vegas, LLC (''Northwind Las Vegas''); [3] Northwind Aladdin, LLC (''Northwind Aladdin''),[4] and e.three Custom Energy Solutions, LLC (''e.three CES'').[5]

Tuscarora was formed in 1993 for the purpose of entering into a partnership (the Tuscarora Gas Transmission Company, or ''TGTC'') with a subsidiary of TransCanada, a non-affiliated Canadian natural gas transportation company, to develop, construct and operate a natural gas pipeline to serve an expanding gas market in Reno, northern Nevada and northeastern California. In 1995, completed construction and began service of its 229-mile pipeline extending from Malin, Oregon to Reno, Nevada. As an interstate pipeline, TGTC provides only transmission service. Sierra Pacific has an investment of approximately $13.3 million in this subsidiary. During 1999, SPCC was the largest customer of TGTC, contributing 95% of TGTC's revenues of $19.3 million.

e.three provides energy-related products and services in commercial and industrial markets both inside and outside SPPC's service territory. e.three's services include: technology and efficiency improvements to lighting, heating, ventilation and air-conditioning equipment; installation or retrofit of controls and power quality systems; energy performance contracting; end-use services; and ongoing energy monitoring and verification services. LOS develops and manages SPPC nonutility property in Nevada and California.[6]

SPC was created to examine and pursue telecommunications opportunities that leverage existing skill sets of installing and deploying pipe and wire infrastructure. SPC presently has fiber optic assets deployed in the cities of Reno and Las Vegas. Sierra Pacific has filed an application with the Federal Communications Commission (''FCC'') to qualify SPC as an ''exempt telecommunications company'' under section 34 of the Act.[7]

SPEC was formed to market a package of technology and energy-related products and services in Nevada. For the year ended December 31, 1999, SPEC incurred net losses of $3.6 million.

Commonsite, NVPI and NVP II are non-profit subsidiary companies created to assist other business activities of Sierra Pacific. Commonsite is a Nevada corporation that owns the real estate occupied by Reid Gardner 4, a coal fired power plant owned jointly by Nevada Power and the California Department of Water Resources. NVP I and NVP II are Delaware trusts formed by Nevada Power for financing purposes.[8] NEICO is a Nevada corporation that has been inactive for several years. In recent months, it has obtained ownership interts in: Northwind Las Vegas; Northwind Aladdin, and e.three CES. Northwind Las Vegas develops opportunities for district heating and cooling within Nevada. As discussed above, Northwind Aladdin will construct, own and operate district heating and cooling facilities at the Aladdin casino complex, currently under construction. e.three CES was

[2] The Oregon PUC imposed these obligation on Enron (''Enron's Merger Payment Obligations'') in its order dated June 4, 19997 approving Enron's acquisition of PGE.

[3] NEICO owns 50% of Northwind Las Vegas. UTT Nevada, Inc., an affiliate of Unicom, owns the other 50%.

[4] NEICO owns 25% of Northwind Aladdin and UTT Nevada, Inc. owns the other 75%.

[5] NEICO owns 50% of e.three CES and e-three owns the other half.

[6] In recent years, Sierra Pacific has sold several of the LOS properties. The properties remaining include only vacant land in Nevada and land leases in the Lake Tahoe region.

[7] The FCC did not issue an order denying SPC's application within sixty days of the application filing date. Therefore, under 47 CFR section 1.5004, the application is deemed granted with no further action by the FCC.

[8] NVP I and NVP II were used by Nevada Power to issue Quarterly Income Preferred Securities.

formed to enter into performance contracts and similar energy-related services in southern Nevada.

Sierra Pacific also has the following inactive nonutility subsidiary companies, all of which are incorporated in Nevada: Sierra Water Development Company, formerly engaged in water exploration; Sierra Gas Holdings Company, formerly engaged in gas and oil exploration; Great Basin Energy Company, which was formed to hold real estate for a proposed power plant that was never constructed; Genwal Coal Co.; Castle Valley Resources Inc., formerly the sales arm of Genwal Coal Co.; and Alkan Mining Company.[9]

2. PGE

PGE provides retail electric service to approximately 719,000 customers in northwestern Oregon. PGE also sells electric power at wholesale. For the year ended December 31, 1999, PGE had consolidated assets of approximately $3.2 billion, of which approximately $1.9 billion consisted of net electric plant and equipment, consolidated utility operating revenues of approximately $1.4 billion, and net income of approximately $128 million. At December 31, 1999, PGE employed approximately 2,787 employees. PGE is subject to regulation by the Oregon PUC and the FERC.

PGE owns all of the common stock of the following nonutility subsidiary companies, all of which are Oregon corporations: 121 SW Salmon Street Corporation (''Salmon Street''); Portland General Transport Corp. (''Portland General Transport''); and Salmon Springs Hospitality Group (''Salmon Springs'').

Salmon Street was formed in order to lease an office complex at the World Trade Center in Portland, Oregon and to sublease the complex to PGE to serve as PGE's headquarters. A wholly owned subsidiary of Salmon Street, World Trade Center Northwest Corporation, is an Oregon corporation that managers the World Trade Center and promotes international commerce. Portland General Transport was formed to sell segmented gas pipeline capacity and is currently inactive. Salmon Springs provides operations and catering services to PGE and, to the extent available, to third parties in meeting facilities of the World Trade Center Building Two.

3. PGH II

PGH II is engaged in developing several nonutility lines of business. As of December 31, 1999, PGH II had total assets of $1,560,000, revenues of $54,000, and a net less of $2,894.000.

PGH II holds a 99% ownership interest in the following companies, all of which the Oregon limited liability companies[10]: Columbia-Pacific Distribution Services Company, LLC (''Columbia-Pacific''); Enron Distribution Services Company, LLC (''EDS''); and Portland Energy Solutions Company, LLC (''PES'').

Columbia-Pacific, currently inactive, was established to provide operation and maintenance service for utility distributions systems. EDS, currently inactive, was established to hold investments in transmission and distribution services companies to be acquired. PES was established to develop opportunities in district heating and cooling in downtown Portland, Oregon.

PGH II also holds all the outstanding common stock of the following subsidiary companies and currently generate no material revenue and hold de minimis assets: Columbia-Willamette Development Company (''Columbia-Willamette''); Enron MicroClimates, Inc. (''Eron MicroClimates''); Portland General Distribution Company (''PGD''); Portland General Operations Company, Inc. (''PGO''); and Tule Hub Services Company (''Tule Hub'').

Columbia-Willamette formerly engaged in real estate development and is currently inactive. Enron MicroClimates was formed to design, own and operate heating, cooling and network infrastructure. PGD was formed to invest in companies providing distribution and network services, including operation and maintenance services for utility distribution systems. PGO provides consulting services to global markets regarding design, maintenance, management, and financing for electric and telecommunications facilities. Tule Hub was formed to engage in electric trading hub transaction information management, and is currently inactive.

B. Description of the Merger

Under the Stock Purchase Agreement described above, Sierra Pacific will acquire from Enron all of the issued and outstanding common stock of PGE and PGH II for a consideration of $2.1 billion in an all-cash transaction. The Merger is not subject to the approval of the shareholders of PGE, PHG II, Enron or Sierra Pacific.

Sierra Pacific's acquisition of PGE and PGH II will result in a substantial level of goodwill equal to the excess of consideration to be paid to Enron over the net value of assets acquired. Sierra Pacific estimates this goodwill to be approximately $845 million, which will be amortized at the holding company level over a forty-year period.

C. Description of Merger-Related Financing

Sierra Pacific proposes to finance the purchase price of PGE and PGH II through a combination of various types of short-term debt, long-term debt, and other financing transactions.[11] Specifically, for a period beginning with the effective date of the Commission's Order in this matter and ending one year from the date of that Order (''Authorization Period''), Sierra Pacific request authority to: (1) Issue long-term debt securities, short-term debt securities, commercial paper, hybrid securities, and other debt securities for cash; (2) enter into transactions to manage interest rate risk (''hedging transactions''); and (3) enter into credit facilities or loan agreements with commercial or investment banks, both for purposes of direct borrowings and as back-up for commercial paper programs. The aggregate amount of short-term and long-term debt outstanding at any one time to finance the Merger will not exceed $2.1 billion.

1. General Conditions of Financing

Sierra Pacific requests authority to engage in various financing and related transactions during the Authorization Period for which the specific terms and conditions are not at this time known. The authorization is sought subject to the conditions stated above and to the following conditions: (1) The effective cost of money on long-term debt borrowing occurring under this authorization will not exceed 300 basis points over the comparable term U.S. Treasury securities; (2) the effective cost of money on short-term debt borrowing occurring under this authorization will not exceed 300 basis point over the comparable term London Interbank Offered Rate (''LIBOR''); (3) the maturity

[9] Nevada Power recently created several Nevada limited liability companies that have conducted no business activities but are in good standing. They are: Nevada Power Services, LLC; Nevada Power Choices, LLC; Nevada Power Solutions, LLC; Las Vegas Energy, LLC; Nevada Solutions, LLC; Power Choice, LLC; Nevada Power Energy Services, LLC; and Nevada Choices, LLC. It is anticipated that one or more of these companies will engage in competitive energy markets.

[10] The remaining 1% interest is held by Portland General Distribution Company, a wholly owned direct subsidiary of PGH II described below.

[11] Sierra Pacific will file a separate application-declaration to request additional financing authority to maintain existing financing facilities after the Merger and to meet the capital requirements for the Sierra Pacific system after the Merger (''Financing Application'').

of indebtness will not exceed 50 years; (4) the underwriting fees, commissions, or other similar remuneration paid in connection with the non-competitive issue, sale or distribution of a security in this matter will not exceed 5% of the principal or total amount of the security being issued; and (5) the proceeds from the sale of securities issued under this authorization will be used (a) to pay the consideration required in order to consummate the Merger, (b) to refinance short-term debt originally incurred to raise all or a portion of the Merger consideration; or (c) for general corporate purposes.

2. Short-Term Debt Financing

Sierra Pacific requests Commission authorization during the Authorization Period to issue short-term debt securities in an amount not to exceed $2.1 billion, consisting of financing for the Merger consideration. Sierra Pacific anticipates that most of the Merger consideration will be funded temporarily through the use of short-term debt.[12] The short-term debt will consist of one or more of the following: bank borrowings, commercial paper, money market notes, floating rate or variable notes, all as described below.

Sierra Pacific currently maintains a committed line of credit for $300 million under an unsecured revolving credit facility with Mellon Bank, First Union National Bank and Wells Fargo, as syndication agents (''Credit Facility''). This Credit Facility, the amount of which is included in the overall authorization requested above, may be used for working capital and general corporate purposes, including for commercial paper backup. It is anticipated that all or a portion of the short-term debt used to fund the Merger will be borrowed by Sierra Pacific either through this credit Facility or through one or more new facilities to be entered into prior to the Merger.

Sierra Pacific also may sell commercial paper in established domestic or European commercial paper markets to provide temporary funding of the Merger consideration. This commercial paper would be sold to dealers at the discount rate or the coupon rate per annum prevailing at the date of issuance for commercial paper of comparable quality and maturities sold to commercial paper dealers generally. It is expected that the dealers acquiring commercial paper from Sierra Pacific will reoffer such paper at a discount to corporate, institutional and, with respect to European commercial paper, individual investors. The commercial paper programs will be backed up by the Credit Facility and by any new credit facilities to be entered into by Sierra Pacific, as discussed above.

Sierra Pacific also may incur short-term debt through the issuance of instruments customarily referred to as ''money market notes,'' ''floating rate notes'' or ''variable rate notes.'' This type of debt is usually issued under a fiscal and paying agency agreement or similar type of agreement, rather than through an indenture, and bears an interest rate that is either (a) tied to a customary interest rate index such as LIBOR which is adjusted on a periodic basis or (b) set by an auction process. The maturity of these notes may vary from less than one year to up to three years. Consequently, Sierra Pacific may also issue these notes as long-term debt. The specific terms of any notes issued under this authorization will be determined by Sierra Pacific at the time of issuance.

3. Long-Term Debt Financing

Sierra Pacific requests Commission authorization during the Authorization Period to issue long-term debt securities in an amount not to exceed $2.1 billion, as stated above. Sierra Pacific intends to use this long-term debt exclusively to refinance short-term debt originally incurred to finance the Merger. These long-term debt securities would include (a) unsecured notes, debentures, medium-term notes, or other debt securities issued under an indenture (''Sierra Pacific Indenture'') [13], (b) instruments customarily referred to as ''money market notes,'' ''floating rate notes,'' or ''variable rate notes,'' as described above, if those notes have a maturity of greater than one year [14], or (c) long-term loans from commercial or investment banks under credit facilities or loan agreements.[15]

4. Other Securities

In addition to the specific securities described above, Sierra Pacific may also find it necessary or desirable to minimize financing costs or to obtain new capital under then-existing market conditions to issue and sell other types of securities during the Authorization Period. The issuance of any of these securities would be subject to the aggregate $2.1 billion limit on short-term and long-term debt and to the overall conditions on financing authorization discussed above.

5. Interest Rate Risk Management Devices

Sierra Pacific requests authority to enter into, perform, purchase and sell financial instruments intended to manage the volatility of interest rates, including but not limited to interest rate swaps, caps, floors, collars and forward agreements or any other similar agreements. Sierra Pacific would employ interest rate swaps as a means of prudently managing the risk associated with any of its outstanding debt issued under this authorization by, in effect, synthetically (a) covering variable rate debt to fixed rate debt; (b) covering fixed rate debt to variable rate debt; (c) limiting the impact of changes in interest rates resulting from variable rate debt; and (d) providing an option to enter into interest rate swap transactions in future periods for planned issuances of debt securities. In no case will the notional principal amount of any interest rate swap exceed that of the underlying debt instrument and related interest rate exposure.[16]

[12] This short-term debt will be paid off in part with the proceeds of the planned divestiture of SPPC's and Nevada Power's electric generation assets, and the sale of common equity or certain non-core assets, with the balance refinanced within the Authorization Period through long-term debt exclusively to refinance short-term debt or other securities from the divestiture of certain non-core assets. Sierra Pacific will request authority to issue additional common equity in its Financing Application.

[13] Sierra Pacific filed a form of the Sierra Pacific Indenture with the Commission as part of a universal shelf registration on June 8, 1999 (Registration No. 333–80149). Applicants state that the Sierra Pacific Indenture will permit the issuance of a wide variety of unsecured debt securities in one or more series. The Sierra Pacific Indenture will contain numerous variable terms, such as principal amount, interest rate, redemption terms, sinking funds, currency of payment, denominations, and events of default. The Sierra Pacific Indenture contains no negative covenants or restrictions.

On May 9, 2000, Sierra Pacific issued of $300 million of notes under this shelf registration. Proceeds from this issuance were used to retire the remaining balance of short-term debt incurred to complete the merger of Sierra Pacific and Nevada Power. Sierra Pacific expects to file a new universal shelf registration for the issuance of long-term debt authorized under this application-declaration and may continue to use the Sierra Pacific Indenture for any such issuance.

[14] On April 20, 2000, Sierra Pacific also issued $300 million of floating rate notes that are not related to this authorization request. The proceeds of this issuance were used: (1) to reduce Nevada Power's debt and strengthen its capitalization; and (2) to reduce short term debt at the holding company level incurred to complete the merger of Sierra Pacific and Nevada Power.

[15] Borrowings from banks and other financial institutions will be unsecured debt and will rank in pari passu with debt securities issued under the Sierra Pacific Indenture and the short-term credit facilities described above. Specific terms of any borrowings will be determined by Sierra Pacific at the time of issuance and will comply with the parameters on financing authorization set forth above.

[16] Sierra Pacific will only enter into interest rate swap agreements with counter parties whose senior debt ratings, as published by Standard & Poor's, a Division of The McGraw-Hill Companies, are greater than or equal to ''BBB+'', or an equivalent rating from Moody's Investors Service, Inc., Fitch IBCA, Inc., or Duff & Phelps Credit Rating Co.

Sierra Pacific Resources (70–9621)

Sierra Pacific Resources (''Sierra Pacific''), 6100 Neil Road, Reno, Nevada 89511, a public utility holding company claiming exemption from registration under section 3(a)(1) of the Act by rule 2 (''Applicant''), has filed an application under section 13(b) of the Act and rules 87, 88, 90, and 91 under the Act.

In this filing, Sierra Pacific requests the Commission to authorize: (1) The designation of Sierra Pacific Resource Services Company (''SPRSC'') as a subsidiary service company in accordance with rule 88 under the Act; (2) the provision of services by SPRSC to the Sierra Pacific system following Sierra Pacific's proposed merger with Portland General Electric Company (''PGE'') (described below) and the registration of Sierra Pacific as a holding company under the Act; and (3) certain lease transactions among associate companies within the Sierra Pacific system after the Merger, as described below. Sierra Pacific further requests that the Commission find that SPRSC is organized and will conduct its operations so as to meet the requirements of section 13 of the Act and the rules under the Act.[17]

In a separate filing, Sierra Pacific and PGE, a wholly owned electric public utility subsidiary company of Enron Corporation, a public utility holding company claiming exemption from registration under section 3(a)(1) of the Act by rule 2, seek approvals relating to the proposed acquisition by Sierra Pacific of PGE and PGE's affiliate, PGH II, Inc. (''PGH II'') (''Merger U–1'') [18] Sierra Pacific will register as a holding company under the Act upon the consummation of the acquisition (''Merger'') described in the Merger U–1.

Following the consummation of the Merger, Sierra Pacific proposes to have three operating public utility company subsidiaries (the ''Utility Subsidiaries''): (1) Sierra Pacific Power Company (''SPPC''), a public utility company that provides retail electric service in Nevada and northeastern California, sells electric power at wholesale, distributes natural gas at retail in northwestern Nevada, and provides water service; (2) Nevada Power Company (''Nevada Power''), a public utility company that provides retail electric service predominantly to the residents of Clark County, Nevada, provides limited service to the Federal Department of Energy (U.S. Government Test Site) in Nye County, Nevada, and sells electric power at wholesale; and (3) PGE, a public utility company that provides retail electric power service in northwestern Oregon and sells electric power at wholesale.[19]

Sierra Pacific's direct and indirect nonutility subsidiary companies following the Merger are to include the following: PGH II; [20] Tuscarora Gas Pipeline Company; Sierra Energy Company d/b/a e.three (''e.three''); Lands of Sierra, Inc.; Sierra Pacific Communications Company; Sierra Pacific Energy Company; Commonsite Inc. (''Commonsite''); NVP Capital I (''NPV I''); NVP Capital II (''NVP II''); Nevada Electric Investment Company (''NEICO''); Northwind Las Vegas, LLC (''Northwind Las Vegas'') [21]; Northwind Aladdin, LLC (''Northwind Aladdin'') [22]; e.three CES Custom Energy Solutions, LLC (''e.three CES'').[23]; 121 SW Salmon Street Corporation; Portland General Transport Corp.; and Salmon Springs Hospitality Group (collectively, with the Utility Subsidiaries, the ''Subsidiaries'').

Sierra Pacific also owns the following inactive subsidiary companies: Sierra Water Development Company; Sierra Gas Holdings Company; Great Basin Energy Company; Genwal Coal Co.; Castle Valley Resources, Inc.; and Alkan Mining Company. In addition, Nevada Power recently created several Nevada limited liability companies that have conducted no business activities but are in good standing. They are: Nevada Power Services, LLC; Nevada Power Choices, LLC; Nevada Power Solutions, LLC; Las Vegas Energy, LLC; Nevada Solutions, LLC; Power Choice, LLC; Nevada Power Energy Services, LLC; and Nevada Choices, LLC.

After the Merger, SPRSC proposes to provide the Sierra Pacific system companies with a variety of administrative, management, enegineering, construction, environmental and support services, either directly or through agreements with associate or nonassociate companies, as needed.[24] SPRSC will enter into a services agreement with each of the Subsidiaries (the ''Services Agreement''). The Services Agreement will be administered in accordance with the Act and the rules under the Act, and the cost of services payable to SPRSC under the Services Agreement will be computed in accordance with the applicable rules under the Act and with appropriate accounting standards. Sierra Pacific presently expects that SPRSC will be staffed with personnel drawn from Sierra Pacific, SPPC, Nevada Power, and PGE. Sierra Pacific has not yet determined the numbers of SPRSC personnel that will be drawn from each of these companies.

SPRSC's authorized capital stock will consist of 100 shares of common stock, no par value per share, issued to Sierra Pacific for $1,000. upon consummation of the Merger, Sierra Pacific will hold all issued and outstanding shares of SPRSC common stock. Sierra Pacific will describe any debt financing for SPRSC in a separate application-declaration to be filed with the Commission dealing with the financing of the post-Merger Sierra Pacific holding company system.

Sierra Pacific further requests authorization under section 13(b) of the Act for the Subsidiaries to enter, from time to time, into leases of office or other space with other associate companies. These leases will comply with the requirements of rules 87, 90 and 91 under the Act. The Utility Subsidiaries may also provide to one another any services, construction, or goods as are reasonably required to meet a breakdown or other emergency in accordance with the standards of rule 87(b)(2) under the Act. These services will be provided at cost in accordance with the standards of the Act and rules 87, 90 and 91 under the Act.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00–16062 Filed 6–23–00; 8:45 am]

BILLING CODE 8010–01–M

[17] In addition, Sierra Pacific requests that the Commission find that this application is deemed to constitute a filing on Form U–13–1 for purposes of rule 88 under the Act, or, alternatively, that the filing of a Form U–13–1 is not necessary under the Act.

[18] *See* File No. 70–9619. The Commission's notice describing this filing is included elsewhere in this Release.

[19] A more complete description of the Utility Subsidiaries is set forth in the Merger U–1.

[20] PGH II is engaged in developing several nonutility businesses through the following subsidiary companies: Columbia-Willamette Development Company; Enron MicroClimates, Inc.; Portland General Distribution Company; Portland General Operations Company, Inc.; and Tule Hub Services Company. These subsidiary companies currently generate no material revenue and hold *de minimis* assets. PGH II also holds a 99% ownership interest in the following limited liability companies: Columbia-Pacific Distribution Services Company, LLC; Eron Distribution Services Company, LLC; and Portland Energy Solutions Company.

[21] NEICO owns 50% of Northwind Las Vegas. UTT Nevada. Inc., an affiliate of Unicom Thermal Technologies, Inc., owns the other 50%.

[22] NEICO owns 25% of Northwind Aladdin and UTT Nevada. Inc. owns the other 75%.

[23] NEICO owns 50% of e.three CES and e-three owns the other half.

[24] Before the consummation of the Merger, SPRSC will be incorporated in the State of Nevada to serve as the service company for the Sierra Pacific system.