

ratings for purposes of the net capital rule.³ The Division has issued one letter in which the firm requesting NRSRO status was not provided with the assurance it requested.

It is difficult to estimate the number of potential respondents to this collection of information. However, based on the current number of NRSROs and the previous inquires of credit rating organizations, it appears reasonable to estimate that eight credit rating organizations may apply with the Commission pursuant to the proposed amendments. Based on conversations with rating organizations currently treated as NRSROs under the net capital rule and the Commission's experience in this area, it is estimated that the average amount of time necessary to compile the information required to submit an NRSRO application is approximately 100 hours. Therefore, because there may be eight potential respondents to this collection and because it is estimated that it will take approximately 100 hours to collect the information necessary for an adequate submission, the total reporting and recordkeeping burden is estimated to be approximately 800 hours.

Because the proposed amendments only require a one-time application process, which includes any amendments to the initial application, there is no recurring reporting or recordkeeping requirement and thus no annual reporting or recordkeeping requirement. However, NRSROs will be obligated to inform the Commission of any material changes to the information previously collected under the proposed amendments.

The staff believes that the cost of complying with the proposed amendments will be approximately \$105 per hour.⁴ This per hour cost is based upon the annual average hourly salary for a senior analyst, who would generally be the personnel responsible for preparing an NRSRO application. The total annual startup cost for all affected credit rating organizations is estimated to be \$84,000, based on eight firms spending a total of 800 hours to prepare NRSRO applications.

Written comments are invited on (a) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate

of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be 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.

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

Dated: November 20, 2000.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-30849 Filed 12-4-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27285]

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

November 27, 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 December 22, 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 order, and will receive a copy of any notice or order issued in the matter. After December 22, 2000, the

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

Alliant Energy Corporation, et al. (70-9735)

Alliant Energy Corporation ("Alliant"), a registered public utility holding company and is wholly owned utility subsidiaries, Wisconsin Power & Light Company ("WPL") and South Beloit Water, Gas & Electric Company ("South Beloit"), each with principal executive offices N16 W23217 Stone Ridge Drive, Waukesha, Wisconsin 53187, and American Transmission Company LLC ("Transco"), an inactive Wisconsin limited liability subsidiary company of WPL which intends to operate as a utility company, and ATC Management Inc., an inactive Wisconsin subsidiary corporation of WPL which also intends to operate as a utility company ("Corporate Manager", and together with Alliant, WPL, South Beloit and Transco, "Applicants"), with principal executive offices at 231 W. Michigan Street, Milwaukee, Wisconsin 53203, have filed an application-declaration ("Application") under to sections 6(a), 7, 9(a), 10, 11, 12 and 13 of the Act and rules 43, 44, 54, 90 and 91 under the Act.

In summary, Applicants request authority for: (1) WPL to transfer, directly or indirectly, ownership and control over its transmission assets ("WPL Transmission Assets") to Transco, (2) South Beloit to transfer, directly or indirectly, ownership and control over its transmission assets ("South Beloit Transmission Assets") to Transco, (3) Transco to issue and WPL, South Beloit, Wisconsin Electric Power Co. ("WEPCO"), Edison Sault Electric Company ("ESE"), Wisconsin Public Power, Inc. ("WPPI"), Wisconsin Public Service Corporation ("WPS") and Madison Gas and Electric Company ("MGE" and collectively "Member Utilities"¹) to acquire, directly or indirectly, member units ("Member Units") of Transco in exchange for either transmission assets or cash, (4) WPL to purchase, and Corporate Manager to issue Class A shares of the Corporate Manager, (5) WPL to purchase, and Corporate Manager to issue, one Class B share of the Corporate Manager, (6) Transco to acquire the WPL Transmission Assets and the South Beloit Transmission Assets, as well as the transmission assets of WEPCO, ESE, WPS and MGE and (7) a series of

³ Four of these firms have since combined or are in the process of combining with other NRSROs.

⁴ Per SIA Management and Professional Earnings, Table 145 (Senior Research Analyst) + 35% overhead (based on 1999 annual base salary).

¹ ESE, WPPI, WPS, WEPCO and MGE are either exempt or municipal nonassociate utility companies of Alliant and are not required to be applicants in this matter.

financings by Transco and Corporate Manager through June 30, 2004 ("Authorization Period").

WPL is engaged principally in the generation, purchase, distribution and sale of electric power in 35 counties in a 16,000 square-mile area in southern and central Wisconsin. As of December 31, 1999, WPL provides retail electric service to approximately 407,000 customers in 599 cities, villages and towns, and wholesale service to 24 municipal utilities, three rural electric cooperatives, the WPPI system, which provides retail electric service to nine communities in the WPL service area, and one privately owned utility. The WPL Transmission Assets consist of 107 miles of 345 kV transmission facilities, 758 miles of 138 kV transmission facilities, 1,908 miles of 69 kV transmission facilities and associated substations and real property interests. WPL is subject to regulation by the Public Service Commission of Wisconsin.

South Beloit is a wholly owned subsidiary of WPL that supplies retail electric and gas services to customers in the cities of South Beloit and Rockton, Illinois, and the adjacent rural areas. As of December 31, 1999, South Beloit serves approximately 8,000 electric customers. The South Beloit Transmission Assets consist of less than one mile of 345 kV transmission facilities, 10 miles of 69 kV transmission facilities, one substation and associated real property interests. The service territory of South Beloit is located in Illinois and is adjacent to the service territory of WPL in Wisconsin. South Beloit is subject to regulation by the Illinois Commerce Commission.

The electric distribution systems of WPL and South Beloit are interconnected at many points along the Wisconsin-Illinois state line. Applicants state that the electric operations of WPL and South Beloit are integrated and all of WPL's generating units are centrally dispatched by Alliant Energy Corporate Services, Inc., the service company affiliate of WPL and South Beloit. The transmission facilities that Transco will acquire from WPL and South Beloit operate at voltages of 345 kV, 138 kV and 69 kV and include:

1. Transmission lines (including towers, poles and conductors) and transmission substations;
2. Transformers providing transformation within the bulk transmission system and between the bulk and area transmission systems;
3. Lines providing connections to generation sources and step-up (plant) substations;

4. Radial taps from the transmission system up to, but not including, the facilities that establish the final connection to distribution facilities or retail customers;

5. Substations that provide primarily a transmission function;

6. Voltage control devices and power flow control devices directly connected to the transmission system; and

7. WPL's systems operation center located in Stoughton, Wisconsin.

As of December 31, 2000, the original cost of the WPL Transmission Assets and the South Beloit Transmission Assets will be approximately \$314,276,000 and \$678,000, respectively. The net book value (original cost less accumulated depreciation) of the WPL Transmission Assets and the South Beloit Transmission Assets is expected to be approximately \$177,650,000 and \$439,000, respectively, at December 31, 2000.

In 1999, Wisconsin enacted legislation ("Transco Legislation") that facilitates the formation of transmission companies, such as Transco, as not-for-profit, single-purpose, limited liability transmission companies. This legislation promotes the transfer of utility company transmission assets to Transco. Transco will issue Member Units to the Member Utilities for cash, in the case of those Member Utilities who don't own transmission assets, or based on the contribution value ("Contribution Value") of the transmission assets conveyed to Transco. Contribution Value is defined as the original cost less accumulated depreciation, as adjusted on a dollar-for-dollar basis for deferred taxes, excess deferred taxes and deferred investment tax credits. Transco also seeks authority to acquire the incidental transmission facilities of Member Utilities who do not own any transmission assets. The Member Utilities intend to contribute their transmission assets to Transco on or about January 1, 2001. Transco will have the exclusive duty to provide transmission service in geographic areas formerly served by the Transco members.²

Because of limitations imposed by the WPL indenture ("Indenture"), WPL will effect the transfer of the WPL Transmission Assets to Transco, and its acquisition of Transco Member Units, through a newly created limited liability company ("NewCo") to be wholly owned by WPL. Applicants specifically

² Transco is expected to transfer operational control of its assets to the Midwest Independent Transmission System Operator, Inc. by November 1, 2001.

seek authority to carry out the following transactions:

(1) WPL will form NewCo and acquire ownership of NewCo for one or more cash payments,

(2) NewCo will transfer cash³ is an amount approximately equal to WPL's corresponding cash payment to NewCo for NewCo's ownership interest to the trustee under the Indenture ("Trustee"),

(3) Upon receipt of the payment, the Trustee will release the WPL Transmission Assets from the Indenture lien,

(4) WPL will transfer the WPL Transmission Assets to Transco and

(5) Transco will issue its Member Units to NewCo. WPL and South Beloit also seek authority to transfer to Transco, from time to time, up to \$10,000,000 of additional transmission assets, which are currently under construction, in exchange for additional Member Units to be issued to NewCo or South Beloit, as the case may be.

The transmission assets will be valued at their Contribution Value when identifying the Member Utilities' relative shares of interest in the Transco. The resulting shares will be adjusted based on various factors including the relative interest of transmission-dependent Member Utilities which acquire Member Units for cash instead of transmission assets.⁴ It is expected that WPL and South Beloit's Contribution Values at December 31, 2000 will be approximately \$126,784,000 and \$590,000, respectively, and their aggregate initial interest in Transco will approximate 26%. This ownership percentage may fluctuate based on various factors, including the number of Member Utilities.

The Member Utilities will enter into an agreement ("Operating Agreement") governing the activities of Transco. The Operating Agreement will grant the Corporate Manager full, complete and exclusive discretion to manage and control Transco. The Corporate Manager will have the power to do all things necessary and convenient to carry out Transco's business including the employment of all personnel necessary to operate Transco and the management of any future Transco subsidiaries. In accordance with the Operating

³ The cash payment will be equal to the "fair value" to WPL of the WPL Transmission Assets, as is defined in, and required by, the Indenture. The fair value will approximate the value of the WPL Transmission Assets. NewCo's payment of cash to the Trustee will permit the WPL Transmission Assets to be released from the Indenture lien.

⁴ The transmission dependent Member Utilities' ownership interest in Transco will be measured in relative shares of interest based upon their 1999 Wisconsin load share ratios.

Agreement, all expenses of the Corporate Manager will be treated as Transco expenses. These expenses will be charged back to Transco at cost in accordance with section 13 of the Act and rules 90 and 91 under the Act. The Corporate Manager will employ all personnel necessary to operate Transco. The Corporate Manager will also hold Member Units.

It is expected that the transmission-owning Member Utilities and Transco will enter into one or more agreements ("O&M Agreements") pursuant to which the Member Utilities will provide Transco with "reasonable and cost effective operations and maintenance services" for at least the first three years after the operations date in accordance with the Transco Legislation. Services provided under the O&M Agreements will include line equipment services, station equipment services and emergency response services. The Member Utilities and Transco will also enter into one or more services agreements ("Services Agreements") under which the Member Utilities will provide Transco with certain services, such as control center services, real estate services and capital project services, not covered by the O&M Agreements. Additionally, the Member Utilities and Transco will enter into a system operating agreement ("System Operating Agreement") under which Transco will provide, among other things, ancillary services and control area operations at rates approved by the Federal Energy Regulatory Commission. Finally, Transco will provide certain services from the Stoughton Operations Center to support Alliant Energy's operation of its transmission facilities outside of Wisconsin and its 34.5 kV facilities in Wisconsin that are not being transferred to Transco. It is expected that these operations will be governed by an agency agreement ("Agency Agreement"). Any services provided or received by WPL, South Beloit or any other Alliant Energy affiliate under the foregoing agreements will be provided "at cost" in accordance with section 13 and rules 90 and 91 under the Act, unless otherwise authorized or directed by appropriate governmental or regulatory authority.

Member Utilities will also purchase shares of the Corporate Member, for cash, in proportion to their percentage interests in Transco. WPL proposes to pay \$10 per share for an approximate 26% interest in the Corporate Manager. The Corporate Manager will have two classes of stock: Class A and Class B

shares.⁵ WPL will receive approximately 26% of the nonvoting Class A shares. Additionally, each Member Utility will receive one Class B voting share.⁶ Each holder of a Class B share will be entitled to appoint one of the Corporate Manager's directors. All Class B shares will convert into Class A shares on the earlier of (1) the ownership by the Corporate Manager of more than 50% of Transco interests or (2) the tenth anniversary of the first day of operations of Transco, unless the Corporate Manager's board of directors ("Board") elects to override the conversion. Class A shares will become voting shares upon the conversion of Class B shares to Class A shares or after the Corporate Manager commences a public offering of its stock. Following a public offering, the Class A shareholders will have the right to elect a majority of the Board and the Class B shareholders will elect a minority of the Board, but each owner of a Class B share will continue to have the right to appoint one of the Board. Each Class A and Class B share will be entitled to the same amount of dividends.

Transco and the Corporate Manager also request authorization for external financing as follows: (1) Short-term debt financing by Transco in the form of, among other things, borrowings under a revolving credit agreement and issuance of commercial paper, (2) long-term debt financing by Transco in the form of debentures or other forms of long-term debt financing and (3) equity financing by Transco and the Corporate Manager in the form of common or preferred stock of the Corporate Manager and other equity securities or additional interests in Transco. The amount of Transco's short-term and long-term debt outstanding at any time will not exceed, in the aggregate, \$400 million.

Transco will initially obtain funds externally through short-term debt financing under a Credit Agreement between Transco and Bank One, N.A., as Agent ("Credit Facility"). Transco seeks authority to enter into borrowings up to a principal amount of \$125 million under the Credit Facility.⁷ Transco proposes to issue short-term debt under the Credit Facility, commercial paper or other forms of short-term financing from time to time

during the Authorization Period. Commercial paper would be issued in established domestic or European commercial paper markets to dealers at the prevailing discount rate per annum, or at the prevailing coupon rate per annum, at the date of issuance. The maturity of short-term debt will not exceed one year. Transco seeks authority to amend the Credit Facility without further authorization provided that the maturity date does not extend beyond the Authorization Period and the aggregate principal amount of authorized borrowings does not exceed \$125 million.

Transco also proposes to issue long-term debt consisting of debentures, which may be in the form of medium-term notes, convertible debt, subordinated debt, bank borrowings, other debt securities or other forms of long-term financing from time to time, through the Authorization period. Any long-term debt security would have a maturity ranging from one to 50 years. Debentures and medium-term notes would be issued under an indenture. The aggregate amount of short-term and long-term debt outstanding at any time, including debt under the Credit Facility, will not exceed \$400 million.

Transco and the Corporate Manager propose to issue equity securities from time to time through the Authorization Period. Corporate Manager intends to issue common or preferred stock and Transco intends to issue other equity securities or additional interests. The aggregate amount of both Transco and Corporate Manager's equity securities will not exceed \$500 million. The dividend rate on any series of preferred securities issued by the Corporate Manager will not exceed 500 basis points over the yield to maturity of U.S. Treasury security having a remaining term equal to the term of that series of preferred securities at the time of issuance. Preferred securities may have mandatory redemption dates. Transco also requests authorization to enter into interest rate hedging transactions with respect to existing indebtedness, subject to certain limitations and restrictions, in order to reduce or manage interest rate cost. In addition, the Transco request authorization to enter into interest rate hedging transactions with respect to anticipated debt offerings, subject to certain limitations and restrictions.

Applicants state that proceeds requested under this application will be used to provide financing for general corporate purposes, including working capital requirements, and to fund construction spending to undertake large scale capital improvements to the

⁵ The Class A and B structure ensures that the Member Utilities will have economic interests proportionate to the value of their contribution to the Transco while still maintaining the desired per capita voting arrangement.

⁶ Neither South Beloit nor ESE will receive shares in the Corporate Manager.

⁷ Transco was previously authorized to enter into borrowings of \$30 million under the Credit Facility. See *Alliant Energy Corporation, et al., Holding Co.* Act Release No. 27197 (August 3, 2000).

Wisconsin transmission system necessary to maintain reliability.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 00-30850 Filed 12-4-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27281A]

Amended Notice; A Filing Under the Public Utility Holding Company Act of 1935, as Amended ("Act")

November 28, 2000

A notice issued in this matter on November 22, 2000 (HCAR No. 27281), concerning a proposal by Northeast Utilities (NU), a registered holding company, and its utility subsidiaries to issue short-term debt. NU intended to, and by this amended notice does, include its nonutility subsidiaries in its request for authority to issue short-term debt.

An amended notice is given that the following filing has 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-declaration for complete statements of the proposed transactions summarized below. The application-declaration and any amendments 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-declaration should submit their views in writing by December 26, 2000, to the Secretary, Securities and Exchange Commission, Washington, D.C. 20549-0609, and serve a copy on the applicant-declarants at the addresses 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 December 26, 2000, the application-declaration, as filed or as amended, may be granted and/or permitted to become effective.

Northeast Utilities, et al. (70-9755)

Northeast Utilities ("NU"), 174 Brush Hill Avenue, West Springfield, Massachusetts 01090-0010, a registered

holding company, its service company subsidiary, Northeast Utilities Service Company ("Service"), P.O. Box 270, Hartford, Connecticut 06141-0270, and its public utility and nonutility subsidiary companies (together, "Subsidiaries"), Western Massachusetts Electric Company ("WMECO") and The Quinnehtuk Company ("Quinnehtuk", both located at 174 Brush Hill Avenue, West Springfield, Massachusetts, 01090-0010; The Connecticut Light and Power Company ("CL&P"), NU Enterprises, Inc. ("NUEI"), Northeast Generation Service Company ("NGS"), Northeast Generation Company ("NGC"), Select Energy, Inc. ("Select"), Model 1 Communications, Inc. ("Mode 1"), Northeast Nuclear Energy Company ("NNECO"), The Rocky River Realty Company ("RR") and Yankee Energy System, Inc. ("YES"), all located at 107 Selden Street, Berlin, Connecticut 06037; Yankee Gas Services Company ("Yankee Gas"), Yankee Energy Financial Services Company ("Yankee Financial") and NorConn Properties, Inc. ("NorConn"), all located at 599 Research Parkway, Meriden, Connecticut 06450; Holyoke Water Power Company ("HWP"), Canal Street, Holyoke, Massachusetts 01040; Public Service Company of New Hampshire ("PSNH") and North Atlantic Energy Corporation ("NAEC"), both located at 1000 Elm Street, Manchester, New Hampshire 03015; Yankee Energy Services Company ("YESCO"), 148 Norton Street, Milldale, Connecticut 06467; HEC, Inc. ("HEC"), 24 Prime Parkway, Natick, Massachusetts 01760; and R.M. Services, Inc. ("RMS"), 639 Research Parkway, Meridan, Connecticut 06467 (together with NU and Service, "Applicants") have filed an application-declaration under sections 6(a), 7, 9(a), 10, 12(b), 13, 32 and 33 of the Act and rules 43, 45, 52, 54, 90 and 91 under the Act.

By order dated December 28, 1994 (HCAR No. 26207) and Supplemental Orders dated November 20, 1996 (HCAR 26612), February 11, 1997 (HCAR 26665), March 25, 1997 (HCAR 26692), May 29, 1997 (HCAR 26721), January 16, 1998 (HCAR 26816), May 13, 1999 (HCAR 27022), November 17, 1999 (HCAR 27103) and November 13, 2000 (HCAR No. 27275) (collectively, the "Prior Orders"), the Commission authorized through December 31, 2000 ("Authorization Period"), among other things, (1) NU to issue and sell unsecured short-term notes and commercial paper and to make loans to participants in the NU system money pool ("Money Pool"); (2) Service to administer the Money Pool in

accordance with the authority granted in the Prior Orders; (3) WMECO, CL&P, NNECO, YES, Yankee Gas, HWP, PSNH and NAEC (together, the "Utility Subsidiaries") to issue and sell unsecured short-term notes; (4) WMECO, CL&P, Yankee Gas and PSNH to issue and sell commercial paper; and (5) the Subsidiaries to borrow from NU and each other, and to lend to each other under the Money Pool, all as provided for in the Prior Orders ("Short-Term Debt Authority").¹ The Prior Orders limited the Utility Subsidiaries' Short-Term Debt Authority, as appropriate, to any combination of notes, commercial paper or Money Pool borrowings outstanding at any one time in aggregate amounts of \$400 million for NU, \$250 million for WMECO, \$375 million for CL&P, \$75 million for NNECO, \$50 million for YES, \$100 million for Yankee Gas, \$5 million for HWP, \$225 million for PSNH and \$260 million for NAEC ("Debt Limitation").²

The Applicants now request that the Commission modify and supersede the Prior Orders to extend the Authorization Period from December 31, 2000 to June 30, 2003 ("New Authorization Period").³ The Applicants request further that the Short-Term Debt Authority, subject to the Debt Limitation, be extended through the New Authorization Period. The Applicants propose that short-term borrowings will take the form of notes to banks and other financial institutions ("Notes"), commercial paper ("Paper"), loans and open-account advances from

¹ Subject to a reservation of jurisdiction over all the nonutility Subsidiaries' Money Pool borrowing authority, Quinnehtuk could borrow up to \$16 million outstanding at any one time, NUEI up to \$100 million, NGS up to \$20 million, Select up to \$200 million, RR up to \$30 million, Yankee Financial up to \$10 million, NorConn up to \$10 million, YESCO up to \$30 million, HEC up to \$20 million and RMS up to \$10 million. Subject to the same reservation of jurisdiction, NGC and Mode 1 currently do not have authority to borrow from the Money Pool.

² CL&P, WMECO, PSNH and NAEC are currently subject to charter limitations and/or state laws that would prevent them from incurring short-term debt up to their Debt Limitation.

³ On January 20, 2000 (S.E.C. File 70-9613), NU and Consolidated Edison, Inc. ("CEI") requested that the Commission approve the terms of an Agreement and Plan of Merger to merge the two companies, resulting in NU becoming a wholly owned subsidiary of CEI. Subsequently, on June 30, 2000 (S.E.C. File 70-9711) ("Financing Order"), NU and CEI requested that the Commission approve certain financing activities for the combined companies, including authority for NU system companies to issue and sell short-term debt and participate in the Money Pool. The Applicants propose that the authority granted in the Prior Orders, as modified and extended in this matter, be superseded by the authority requested in the Financing Order.