

employees who had at least one month of rail service before October 1981 and were awarded regular annuities after June 1966. Further, if an employee's 65th birthday was prior to September 2, 1981, he or she must not have worked in rail service after certain closing dates (generally the last day of the month following the month in which age 65 is attained).

The supplemental annuities paid by the RRB are financed entirely by the railroad employers under 26 USC of 3221 of the Internal Revenue Code. Under 26 USC 3221(c) every employer must pay a "work hour" tax at such a rate as to make available certain funds for the RRB to pay supplemental annuities at the level provided under section 3(e) of the RRA, unless the exception in 26 USC 3221(d) applies.

Also, under 26 U.S.C. 3221(c) a Supplemental Annuity tax credit is due to the railroad for any month for which an employee's RRB Supplemental Annuity is reduced under Section 2(h)(2) of the RRA for an employer private pension approved by the RRB's Bureau of Law, when either the employer pension was not established pursuant to a collective bargaining agreement; or, if the employer pension was established pursuant to a supplemental annuity tax credit allowed is equal (dollar for dollar) to the amount of the reduction in the employee's supplemental annuity for the private pension.

Section 26 USC 3221(d) of the Internal Revenue Code exempts certain employers from the "work hour tax" when the private pension plan, approved by the RRB's Bureau of Law, that was established pursuant to a collective bargaining (union) agreement and the employee was a member of the collective bargaining unit. Instead a supplemental annuity tax liability is billed to the employer as a "special supplemental tax" under any month for which the employee is paid a RRB supplemental annuity. The "special supplemental tax" is equal to the amount of the supplemental annuity being paid, plus a percentage added to reimburse the RRB for administrative cost.

The RRB currently requires the following information from railroad employers to calculate supplemental annuities. (a) The current status of railroad employer pension plans and whether such an employer pension plan causes a reduction to the supplemental annuity; (b) the amount of the employer private pension being paid to the employee; (c) whether or not the railroad employer pension is based on a collective bargaining agreement, (d)

whether or not the employee made contributions to the pension; and (e) whether the employer pension plan continues when the employer status under the RRA changes. The requirements for eligibility to a supplemental annuity and a description of an employer pension are prescribed in 20 CFR 216.40-216.42. The computation of the supplemental annuity is prescribed in 20 CFR 227. Evidence requirements for a deemed current connection for a supplemental annuity are prescribed in 20 CFR 216.15.

The RRB currently utilizes Form(s) G-88p (Employer's Supplemental Pension Report), G-88r (Request for Information About New or Revised Pension Plan), and G-88r.1 (Request for Additional Information about Employer Pension Plan in Case of Change of Employer Status or Termination of Pension Plan), to obtain the necessary information from railroad employers. (OMB approved 3220-0089).

In order to ensure that the supplemental annuity is correctly adjusted and the supplemental annuity tax credits or supplemental annuity tax liabilities are correct, the RRB proposes the implementation of a new information collection consisting of two new forms, Form G-88p.1, Request for Verification of Employer Pension Information, and Form G-88p.2, Verification of Employer Collective Bargaining Pension Information.

The completion time for proposed Form G-88p.1 and G-88p.2 is estimated at between 10 to 120 minutes. The RRB estimates that about 75 G-88p.1's and 15 G-88p.2's will be completed annually. One response is requested of each respondent. Completion is mandatory.

FOR FURTHER INFORMATION CONTACT: To request more information or to obtain a copy of the information collection justification, forms, and/or supporting material, please call the RRB Clearance Officer at (312) 751-3363. Comments regarding the information collection should be addressed to Ronald J. Hodapp, Railroad Retirement Board, 844 N. Rush Street, Chicago, Illinois 60611-2092. Written comments should be received within 60 days of this notice.

Chuck Mierzwa,

Clearance Officer.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27387]

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

April 27, 2001.

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 May 22, 2001, 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 May 22, 2001, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

WGL Holdings, Inc., et al. (70-9653)

WGL Holdings, Inc. ("WGL Holdings"), a registered holding company, its gas utility subsidiary, Washington Gas Light Company, and WGL Holdings' nonutility subsidiary companies, Hampshire Gas Company, Crab Run Gas Company, Washington Gas Resources Corp., and Primary Investors LLC (collectively, "Applicants"), all located at 1100 H Street, NW., Washington, DC 20080, have filed a post-effective amendment to an application-declaration filed under sections 6(a), 7, 9(a), 10, 11, 12(b), 12(c), 12, 32, and 33 of the Act and rules 45, 46, 47, 54, and 80-92 under the Act.

By orders dated October 13, 2000, and November 13, 2000 (Holding Co. Act Release Nos. 27253 and 27276, respectively) ("Prior Orders"), the Commission, through March 31, 2004 ("Authorization Period"), authorized

certain financing activities related to WGL Holdings and its subsidiaries, including the establishment of a system money pool (the "Money Pool"). The Prior Orders permitted the addition of new subsidiaries as lenders to the Money Pool; however, Commission approval was required for the addition of new borrowers. In addition, the Prior Orders authorized WGL Holdings to invest not more than \$100 million ("Investment Limit") in existing or newly formed, direct or indirect nonutility subsidiaries that are engaged in the business of providing financing for purchases of energy-related equipment, goods, or services ("Consumer Finance Subsidiaries").

In accordance with the Prior Orders, WGL Holdings formed a new Consumer Finance Subsidiary, Washington Gas Credit Corp. ("WGCC"). Applicants now request that the Commission authorize WGCC's participation in the Money Pool as a borrower. Applicants state that all the borrowings of WGCC will count against the Investment Limit. Further, Applicants state that the addition of WGCC to the Money Pool requires no changes to the terms and conditions of the System Money Pool Agreement filed as an exhibit to the application-declaration in this matter.

Cascade Investment, L.L.C., and William H. Gates III (70-9865)

Cascade Investment, L.L.C. ("Cascade"), a limited liability company formed under the laws of the State of Washington, 2365 Carillon Point, Kirkland, Washington 98033, and its sole member, William H. Gates III, One Microsoft Way, Redmond, Washington, 98033 ("Mr. Gates," and together with Cascade, "Applicants"), have filed an application under sections 9(a)(2) and 10 of the Act.

Applicants request approval of their acquisition of 5% or more, but less than 10%, of the outstanding voting securities of Avista Corporation ("Avista"), Otter Tail Power Company ("Otter Tail"), and Public Service Company of New Mexico ("PSNM"), each of which is a "public-utility company" as defined in section 2(a)(5) of the Act. Applicants state that neither is an "affiliate," as defined in section 2(a)(11)(A) of the Act, of any other public-utility company.

Mr. Gates is Chairman of the Board, Chief Software Architect, and a major shareholder of Microsoft Corporation, which develops, manufactures, licenses and supports software products for business and person applications. Applicants state that Cascade was formed in 1995 to make and hold certain investments for Mr. Gates, that

Cascade invests in and holds the securities of numerous publicly and privately held companies, and that Cascade does not have any active business operations of its own.

Cascade currently holds 2,887,500 shares (or approximately 6.12%) of the outstanding common stock of Avista, 1,399,500 shares (or approximately 5.87%) of the outstanding common stock of Otter Tail, and 2,344,500 shares (or approximately 5.99%) of the outstanding common stock of PSNM. Applicants state that these shares were purchased on the open market solely for the purpose of investment, that they have filed joint statements on Schedule 13G under the Securities Exchange Act of 1934 with respect to each of these three investments, and that neither Cascade nor Gates has any management arrangement with any of these companies.

Avista, a Washington corporation, provides electricity and natural gas distribution and transmission services in a 26,000 square mile area in eastern Washington and northern Idaho with a population of approximately 835,000 and natural gas distribution service in a 4,000 square mile area in northeast and southwest Oregon and in the South Lake Tahoe region of California with a population of approximately 500,000. At December 31, 1999, Avista provided retail electric service to approximately 309,000 customers and retail natural gas service to approximately 269,000 customers. Avista is subject to regulation as to retail rates by the public utilities commissions of Washington, Idaho, Oregon, and California and as to wholesale electric rates by the Federal Energy Regulatory Commission ("FERC").

Otter Tail, a Minnesota corporation, produces, transmits, distributes and sells electric energy in a predominantly agricultural area in western Minnesota, eastern North Dakota and northeastern South Dakota. The population in this service area is approximately 230,000. Otter Tail is subject to regulation as to retail rates by the public utilities commissions in Minnesota, North Dakota and South Dakota and as to wholesale electric rates by the FERC.

PSNM, a New Mexico corporation, generates, transmits, distributes and sells electricity and transmits, distributes and sells natural gas in parts of New Mexico, including the cities of Albuquerque and Santa Fe. As of December 31, 1999, PSNM provided public utility service to approximately 361,000 retail electric customers and 426,000 retail gas customers. PSNM is subject to regulation as to retail rates by the New Mexico Public Regulation

Commission and as to wholesale electric rates by the FERC.

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

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44228; File No. SR-NASD-2001-26]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to a Qualification Examination for a New Limited Registration Category: Limited Representative-Private Securities Offerings (Series 82)

April 27, 2001.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 3, 2001, the National Association of Securities Dealers, Inc. ("NASD" or "Association"), through its wholly-owned subsidiary, NASD Regulation, Inc. ("NASD Regulation"), filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD Regulation. NASD Regulation has designated the proposed rule change as constituting a "non-controversial" rule change under paragraph (f)(6) of Rule 19b-4 under the Act,³ which renders the proposal effective upon receipt of this filing by the Commission.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

NASD Regulation is filing with the Commission the examination specifications and study outline for the Limited Representative-Private Securities Offerings (Series 82) examination program. The Series 82

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 17 CFR 240.19b-4(f)(6).

⁴ See Letter to Alden S. Adkins, Senior Vice President and General Counsel, NASD Regulation, Inc. from Belinda Blaine, Associate Director, Division of Market Regulation, SEC, dated July 24, 2000.