

to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, DC 20549-0609, facts bearing upon whether the application has been made in accordance with the rules of the Amex and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Jonathan G. Katz,

Secretary.

[FR Doc. 01-18641 Filed 7-25-01; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27428]

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

July 20, 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 August 14, 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 August 14, 2001, the

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

Progress Energy, Inc., et al. (70-9863)

Progress Energy, Inc. ("Progress Energy"), a registered holding company under the Act, Carolina Power & Light Company ("CP&L"), a public utility company subsidiary of Progress Energy, Progress Energy Ventures, Inc. ("Ventures"), a nonutility intermediate holding company subsidiary of Progress Energy, Richmond County Power, LLC ("Richmond,"), a wholly owned, inactive subsidiary of CP&L, Florida Power Corporation ("Florida Power"), a public utility company subsidiary of Progress Energy, North Carolina Natural Gas Corporation ("NCNG"), a gas utility subsidiary company of Progress Energy, Progress Energy Service Company, LLC ("Services"), a service company subsidiary of Progress Energy, Monroe Power Company ("Monroe"), subsidiary company of Progress Energy and presently an exempt wholesale generator ("EWG") as defined in section 32 of the Act, and CP&L NewCo ("NewCo"), a company to be formed by CP&L, (together, "Applicants"), all located at 411 Fayetteville Street Mall, Raleigh, North Carolina 27602, have filed an application-declaration ("Application") under sections 3(a)(1), 6(a), 7, 9(a), 10, 11(b)(2), 12, 13(b), and 32 under the Act and rules 43, 44, 45, 46, 53, 54, 58, 88, 90 and 91 under the Act.

I. Summary of Requests

Applicants seek authority for: (1) CP&L to transfer its interests in certain electric generation assets¹ ("Richmond Facility") to Richmond; (2) CP&L to transfer its interests in Richmond to Ventures through a series of transactions explained in detail below; (3) Richmond to enter in various financing transactions within aggregate limitations authorized for the Progress Energy system by order dated December 12, 2000 (HCAR No. 27297) ("December Order"); (4) Richmond to issue additional types of securities; (5) Ventures to be granted exemption from

¹ The Richmond Facility consists of the following assets (or rights to acquire such assets): eight GE 7F combustion turbines; six heat recovery steam generators; three steam turbines; one station service transformer; steam condensers and cooling towers; one gas pipeline spur; and a water supply, treatment and transportation system. The Richmond Facility assets also include, or will include, contracts for wholesale sales of electricity, construction, operation and maintenance, fuel, and other contracts, as well as governmental permits and approvals and real property interests, directly related to and necessary for facility construction and operation. As of December 31, 2000, the Richmond assets had a book value of \$145,324,232.

registration under section 3(a)(1) of the Act; (6) the retention of Monroe and NewCo as intermediate holding companies; (7) Monroe and NewCo to be granted exemption from registration under section 3(a)(1) of the Act; (8) the acquisition by Richmond of special purpose financing subsidiaries ("Richmond Financing Subsidiaries"); (9) the addition of Richmond to the utility money pool ("Utility Money Pool") authorized in the December Order; (10) the reservation of jurisdiction over the addition of Richmond to the Progress Energy tax allocation agreement; and (11) certain service transactions involving wholesale generation utility and nonutility subsidiaries under section 13(b) of the Act.

A. Restructuring

Applicants request authority for CP&L to transfer and Richmond to acquire the Richmond Facility, with Richmond then becoming a public utility subsidiary of CP&L. Applicants further intend that Richmond be moved to a different placement in the Progress Energy system through a series of transactions ("Restructuring"). The Restructuring is expected to take place as follows: (1) Progress Energy will contribute its stock in Ventures to Monroe; (2) CP&L will contribute the Richmond Facility to Richmond; (3) CP&L will form NewCo as a new, wholly owned subsidiary, (4) CP&L will contribute its membership interests in Richmond to NewCo in exchange for the acquisition of all NewCo stock; (5) CP&L will distribute the NewCo stock to Progress Energy; (6) the Monroe stock will be contributed to NewCo; and (7) NewCo will contribute the Richmond membership interests down the corporate chain to Ventures. Applicants request authority to retain Monroe and NewCo in place as intermediate holding companies after the Restructuring in order for the Restructuring to be exempt from federal tax under section 355 of the Internal Revenue Code.

B. Richmond Financing Subsidiaries

Applicants request authority for Richmond to acquire the securities and organize one or more Richmond Financing Subsidiaries to issue Preferred Securities, Debentures, Short-Term Debt and Long-Term Debt. The Richmond Financing Subsidiaries will be organized solely to issue securities to support Richmond's businesses. Applicants state that the Richmond Financing Subsidiaries will dividend, loan, or otherwise transfer proceeds of a financing only to Richmond.

⁵ 17 CFR 200.30-3(a)(1).

C. Richmond Financing Requests

Applicants request authority for Richmond to issue and sell directly, or indirectly through the Richmond Financing Subsidiaries, preferred securities ("Preferred Securities"); debentures ("Debentures"); short-term debt ("Short-Term Debt"); and long-term debt ("Long-Term Debt"), which may be in the form of secured guarantees ("Secured Guarantees"), unsecured guarantees ("Unsecured Guarantees"), and notes ("Notes").

1. Preferred Securities

Applicants request authority for Richmond to issue Preferred Securities in one or more series with rights, preferences, and priorities as may be designated in the instrument creating each series, as determined by Richmond's board of directors. All Preferred Securities will be redeemed no later than fifty years after the date of issuance. The dividend rate on any series of Preferred Securities will not exceed, at the time of each issuance, the greater of (a) 500 basis points over the yield to maturity of a U.S. Treasury security having a remaining term equal to the term of the series of Preferred Securities and (b) a rate that is consistent with similar securities of comparable credit quality and maturities issued by other companies.

2. Debentures

Debentures will have maturities ranging from one to fifty years. The interest rate on Debentures will not exceed, at the time of each issuance, the greater of (a) 300 basis points over U.S. Treasury securities having comparable maturities and (b) a gross spread over U.S. Treasury securities that is consistent with similar securities of comparable credit quality and maturities issued by other companies. The maturity dates, interest rates, redemption and sinking fund provisions and conversion features, if any, with respect to the Debentures of a particular series, as well as any associated placement, underwriting or selling agent fees, commissions and discounts, if any, will be established by negotiation or competitive bidding. Applicants state all Debentures will be maintained at investment grade as established by a nationally recognized statistical rating organization.

The amount of Preferred Securities and Debentures issued by Richmond and those issued by the Richmond Financing Subsidiaries which are guaranteed by Richmond, will count toward, and will not exceed, the \$3.8 billion aggregate limitation on Preferred

Securities and Debentures authorized by the Commission for issuance by Progress Energy in the December Order.

3. Short-Term Debt

Applicants request authority for Richmond to issue Short-Term Debt, which may take the form of commercial paper, promissory notes, and/or other forms of indebtedness that will be sold to dealers at the annual discount rate prevailing at the date of the sale for commercial paper of comparable quality and maturities. Short-Term Debt may also include notes and other forms of indebtedness under lines of credit from banks. Applicants state that commercial paper Short-Term Debt will mature in one year or less from the date of issuance and borrowing under lines of credit will mature in two years or less from the date of the borrowing. The effective cost of money on Short-Term Debt will not exceed, at the time of issuance, 300 basis points over the London Interbank Offered Rate for maturities of one year or less. The amount of Short-Term Debt that Applicants propose Richmond will incur will count toward, and will not exceed, the \$1 billion aggregate limitation on Short Term Debt authorized for Progress Energy by the Commission in the December Order.

4. Long Term Debt

Applicants request authority for Richmond to issue Long-Term Debt in an amount not to exceed \$1 billion of indebtedness at any one time during the Authorization Period. Applicants request authority for Richmond to issue and reissue notes with a maturity of up to 20 years.

(a) *Secured and Unsecured Guarantees.* In connection with the request to issue Long-Term Debt, Applicants request authority for Richmond to issue Secured Guarantees or Unsecured Guarantees on similar obligations of affiliate or associate companies, and in particular, the Progress Energy system EWGs. Security for Secured Guarantees may include a security interest in all of Richmond's rights, title, and interest to its present and future assets, including all project agreements and permits relating to the Richmond Facility to which Richmond is a party and all of Richmond's goods, inventory, equipment, revenues, accounts, and all amounts maintained therein, receivables, and all Richmond's other property, assets, and revenues. The interest rate on Richmond's Long-Term Debt will not exceed, at the time of issuance, 500 basis points over the yield to maturity of a U.S. Treasury Note having comparable maturities. Secured

and Unsecured Guaranties by Richmond will not be counted against either the Progress Energy or the Progress Energy nonutility subsidiary guaranty limit authorized under the December Order.²

D. Utility Money Pool

Applicants request authority for Richmond to participate in the Progress Energy utility money pool ("Utility Money Pool") established under authority granted in the December Order. Applicants propose that Richmond, CP&L and NCNG would lend to each other, as well as borrow from Progress Energy, Florida Power and each other, and for Florida Power and Progress Energy to lend to Richmond, CP&L and NCNG, through the Utility Money Pool. Applicants request authority for Richmond to borrow through the Utility Money Pool up to \$250 million at any time outstanding. Loans will be repayable on demand and, in any event, not later than one year after the date of the loan. All other items, conditions and operational arrangements of the Utility Money Pool will remain as described in the December Order.

E. Proposed Service Agreements With Service Company and Retail Companies

Applicants propose that Progress Energy Service Company, LLC ("Services"), a service company approved by order dated November 27, 2000 (HCAR No. 27284) ("November Order") under section 13 of the Act and rule 88 under the Act, will provide a wide range of services to Richmond on an as-needed basis in accordance with the Progress Energy system utility service agreement ("Utility Service Agreement") also approved in the November Order. Personnel employed by the Retail Companies also will provide certain services to Richmond according to utility service agreements in the form of the Utility Service Agreement and/or according to an operating agreement ("Operating Agreement") between Richmond and Florida Power and CP&L (together "Retail Companies") or pursuant to other arrangements that comply with section 13(b) of the Act and the Commission's rules under the Act concerning system services. Personnel employed by the Retail Companies will provide, consistent with section 13(b)

² Although it will be an electric utility company under section 2(a)(3) of the Act, Applicants expect that Richmond will sell electric power only at wholesale. Therefore, Richmond will not be a public utility for purposes of state law, and no state commission will have jurisdiction over financing transactions requested in this application-declaration. Applicants may not use rule 52 to exempt these financing transactions under the Act.

and the Commission's service company rules, rule 53(a)(3), and the Commission's authorization in CP&L Energy, Inc., Holding Co. Act Release No. 27284 (Nov. 27 2000), similar operations services under the Operating Agreement to EWGS that may be developed and owned, directly or indirectly, by Progress Energy Ventures.

Services and the Retail Companies will render services to Richmond, at cost computed in accordance with section 13(b) and rules 90 and 91 under the Act. These services will include general executive and advisory services; power operations; general engineering; design engineering; purchasing; accounting, finance and treasury services; tax counseling; counseling on insurance and pensions; other corporate services relating to rates, budgeting, public relations, employee relations, systems and procedures; and other services with respect to business and operations.

F. Income Tax Allocation Agreement

Applicants proposed that Richmond participate in the Progress Energy income tax allocation agreement currently subject to a reservation of jurisdiction by the Commission under the December Order.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01-18640 Filed 7-25-01; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Act Release No. 25070; 812-11992]

The Gabelli Equity Trust Inc., et al.; Notice of Application

July 20, 2001.

AGENCY: Securities and Exchange Commission ("Commission").

ACTION: Notice of an application for an order under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from section 19(b) of the Act and rule 19b-1 under the Act.

SUMMARY: Applicants request an order to permit certain registered closed-end management investment companies to make periodic distributions of long-term capital gains, as often as monthly, on their outstanding common stock and as often as distributions are specified in the terms of any preferred stock

outstanding. The order would supersede a prior order ("Prior Order").¹

Applicants: The Gabelli Equity Trust Inc. ("GET"), The Gabelli Global Multimedia Trust Inc. ("GGMT"), The Gabelli Convertible Securities Fund, Inc. ("GCSF"), The Gabelli Utility Trust ("GUT" and together with GET, GGMT and GCSF, the "Existing Funds"), Gabelli Funds, LLC ("Gabelli"), and each registered closed-end management investment company advised in the future by Gabelli (including an successor in interest,² or by an entity controlling, controlled by, or under common control (within the meaning of section 2(a)(9) of the Act) with Gabelli (the "Future Funds" and together with the Existing Funds, the "Funds").³

Filing Dates: The application was filed on February 22, 2000 and amended on June 22, 2001 and July 18, 2001.

Hearing or Notification of Hearing: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving the applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on August 14, 2001 and should be accompanied by proof of service on the applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

ADDRESSES: Secretary, Commission, 450 Fifth Street, NW., Washington, DC 20549. Applicants, c/o Richard T. Prins, Esq., Skaden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York 10036-6522.

FOR FURTHER INFORMATION CONTACT: Emerson S. Davis, Sr., Senior Counsel, at (202) 942-0714, or Mary Kay Frech, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

¹ Gabelli Equity Trust Inc., et al., Investment Company Act Release Nos. 23051 (Feb. 27, 1998) (notice) and 23072 (Mar. 23, 1998) (order).

² A successor in interest is limited to entities that result from a reorganization into another jurisdiction or a change in the type of business organization.

³ All existing registered closed-end management investment companies that currently intend to rely on the requested order are named as applicants and any Future Fund that may rely on the order in the future will comply with the terms and conditions of the application.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee from the Commission's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549 (telephone (202) 942-8090).

Applicants' Representations

1. GET, GGMT and GUT are non-diversified, closed-end management investment companies registered under the Act. GCSF is a diversified, closed-end management investment company registered under the Act. GET, GGMT and GCSF are organized as Maryland corporations. GUT is organized as a Delaware business trust. GET's primary investment objective is to seek long-term growth of capital by investing at least 65% of its total assets in a portfolio of equity securities. GGMT's investment objective is long-term growth of capital by investing in securities of foreign and domestic companies in the telecommunications, media, publishing and entertainment industries. GCSF's investment objective is to seek a high level of total return on its assets by investing primarily in convertible securities. GUT's investment objective is long-term growth of capital and income, primarily through investing in equity securities of companies in the utility industry. GET's GGMT's and GCSF's common and preferred stock, and GUT's common stock, are listed and traded on the New York Stock Exchange. Gabelli, an investment adviser registered under the Investment Advisers Act of 1940, serves as each Existing Fund's investment adviser.

2. On November 15, 2000, the board of directors of each Existing Fund ("Board"), including a majority of the members who are not "interested persons," as defined in section 2(a)(19) of the Act ("disinterested directors"), of such Fund, concluded that the distribution policy of such Fund would be in the best interests of the Fund's shareholders ("Distribution Policy").⁴ The Distribution Policy would permit each Fund to make periodic long-term capital gains distributions as often as monthly with respect to its common stock and as often as distributions are specified in the terms of its preferred stock, so long as it maintains in effect a Distribution Policy (a) with regards to its common stock of at least a minimum fixed percentage per year of the net asset value ("NAV") or market price per share of its common stock or at least a

⁴ Applicants state that the Board of each Future Fund intending to rely on the requested order, including a majority of its disinterested directors, will make a similar finding prior to implementing a distribution policy in reliance on the order.