

on valuing non-maturity deposits. It provides a conceptual evaluation of alternative methods, with an analysis of the costs and benefits of these methods. The study discusses implementation issues for NCUA and credit unions, and provides recommendations for the most suitable valuation approaches to meet NCUA and credit union needs. The study proposes effective maturities that may reasonably be used for credit union shares where the cash flows are not explicitly documented and modeled by the credit union. The study proposes a method to value these shares, and discusses the appropriate discount rate for these funds. The characteristics of credit union shares, and their differences from bank depository funds, are included in the discussion. Recommendations are also provided where credit unions analyze their cash flows from these shares.

The n/e/r/a study may be useful in evaluating net economic value (NEV) analysis. NEV analysis measures the potential effect of changes in interest rates on net economic value (NEV). NEV means the fair value of assets minus the fair value of liabilities. Valuation techniques used to estimate fair values require assumptions about maturities and interest rates to calculate the present value of cash flows of non-maturity shares. As with gap analysis and review of income simulation models, examiners judge whether these assumptions are reasonable.

B. Areas for Comment

When its analysis of the n/e/r/a study is completed, NCUA will likely use the conclusions to provide guidance for examiner ALM scope determination and evaluation of credit union interest rate risk models and consider what should be the next stage in the evaluation of these issues. NCUA desires to identify reasonable methods for assumptions, valuation techniques and estimated values for non-maturity shares.

NCUA is soliciting comments on the study. Specifically, the agency is interested in comment on the following issues.

(1) Provide specific comments on the study. If there are points with which you disagree or you believe are incorrect, provide both the specific citations in the study and the support for your conclusion.

(2) NCUA is considering establishing a "safe harbor" for non-maturity share assumptions, such as a maturity of 1.0 year for money market shares, 2.5 years for regular shares, and 3.0 years for share drafts. Examiners would judge these, or shorter, terms to be acceptable maturity assumptions for non-maturity

shares. Please comment on whether this approach is reasonable.

(3) The characteristics of a non-maturity account, not its labeling, are important determinates of value. For example, two credit unions may have accounts labeled regular shares: the first credit union may rarely change the interest rate; in contrast, the second may reset the rate frequently, similar to a money market share account at the first credit union. What documentation, if any, would be appropriate to use "safe harbor" assumptions?

(4) A credit union might choose to use its own empirical analysis to demonstrate a risk mitigation value larger than a "safe harbor" assumption. NCUA examiners would expect a statistically valid empirical analysis to justify such values. Should NCUA use the validation guidelines addressed in Chapter VIII of the report? If not, please provide alternative guidelines you believe are appropriate and provide evidence to support your recommendation.

(5) Is there background information from sources other than those covered in the n/e/r/a study that NCUA should consider? Please indicate the source of the information and the results. If possible, provide complete copies of the studies or the analysis.

(6) NCUA is contemplating whether to conduct an empirical study of credit union non-maturity share behavior. Please provide specific recommendations on what should be included in such a study.

(7) Are there other considerations in the valuation of shares, beyond those discussed in the n/e/r/a study, which should be taken into account?

By the National Credit Union Administration Board on December 13, 2001.

Becky Baker,

Secretary of the Board.

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NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-344 and 72-17]

Portland General Electric Company Trojan Nuclear Plant and Trojan Independent Spent Fuel Storage Installation; Notice of Consideration of Approval of Application Regarding Proposed Acquisition of Portland General Electric Company by Northwest Natural Holdco and Opportunity for a Hearing

The U.S. Nuclear Regulatory Commission (NRC or the Commission)

is considering the issuance of an order under 10 CFR 50.80 and 10 CFR 72.50 approving the indirect transfer of Facility Operating License No. NPF-1 for the Trojan Nuclear Plant (TNP or Trojan) and Materials License No. SNM-2509 for the Trojan Independent Spent Fuel Storage Installation (ISFSI) to the extent currently held by Portland General Electric Company (PGE), as part owner and licensed operator of TNP and the Trojan ISFSI.

According to an application for approval filed by PGE, Northwest Natural Holdco (NW Natural Holdco) has entered into an agreement to purchase all of the common stock of PGE from Enron Corporation (Enron). PGE, currently a wholly-owned subsidiary of Enron, would become a wholly-owned subsidiary of NW Natural Holdco, thereby effecting an indirect transfer of the TNP and Trojan ISFSI licenses, to the extent held by PGE, to NW Natural Holdco. No physical or operational changes are being proposed to TNP or the Trojan ISFSI in the application. No direct transfer of the licenses for TNP or the Trojan ISFSI would result from the change in ownership of PGE. PacifiCorp and the Eugene Water and Electric Board (EWEB), the other co-owners of TNP and the Trojan ISFSI, are not involved in the purchase of PGE, and the licenses as held by PacifiCorp and EWEB are not presently subject to any proposed transfer.

Pursuant to 10 CFR 50.80 and 10 CFR 72.50, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. The Commission will approve an application for the indirect transfer of a license, if the Commission determines that the underlying transaction effectuating the indirect transfer will not affect the qualifications of the holder of the license, and that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

The filing of requests for hearing and petitions for leave to intervene, and written comments with regard to the license transfer application, are discussed below.

By February 13, 2002, any person whose interest may be affected by the Commission's action on the application may request a hearing and, if not the applicant, may petition for leave to intervene in a hearing proceeding on the Commission's action. Requests for a hearing and petitions for leave to intervene should be filed in accordance

with the Commission's rules of practice set forth in 10 CFR part 2, subpart M, "Public Notification, Availability of Documents and Records, Hearing Requests and Procedures for Hearings on License Transfer Applications." In particular, such requests and petitions must comply with the requirements set forth in 10 CFR 2.1306, and should address the considerations contained in 10 CFR 2.1308(a). Untimely requests and petitions may be denied, as provided in 10 CFR 2.1308(b), unless good cause for failure to file on time is established. In addition, an untimely request or petition should address the factors that the Commission will also consider, in reviewing untimely requests or petitions, set forth in 10 CFR 2.1308(b)(1)-(2).

Requests for a hearing and petitions for leave to intervene should be served upon Douglas R. Nichols, Esq., General Counsel, Portland General Electric Company, Suite 1700, 121 SW Salmon Street, Portland, Oregon 97204 (telephone number 503-464-8402); the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555 (e-mail address for filings regarding license transfer cases only: OGCLT@NRC.gov); and the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, in accordance with 10 CFR 2.1313.

The Commission will issue a notice or order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the **Federal Register** and served on the parties to the hearing.

As an alternative to requests for hearing and petitions to intervene, by February 25, 2002, persons may submit written comments regarding the license transfer application, as provided for in 10 CFR 2.1305. The Commission will consider and, if appropriate, respond to these comments, but such comments will not otherwise constitute part of the decisional record. Comments should be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, and should cite the publication date and page number of this **Federal Register** notice.

For further details with respect to this action, see the application dated December 6, 2001, available for public inspection at the Commission's Public Document Room (PDR), located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland.

Publicly available records will be accessible electronically from the Agencywide Documents Access and Management Systems (ADAMS) Public Electronic Reading Room on the internet at the NRC Web site, <http://www.nrc.gov>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC PDR Reference staff by telephone at 1-800-397-4209, 301-415-4737 or by e-mail to pdr@nrc.gov.

Dated at Rockville, MD, this 17th day of January, 2002.

For the Nuclear Regulatory Commission.

David J. Wrona,

Project Manager, Section 1, Project Directorate IV, Division of Licensing Project Management, Office of Nuclear Reactor Regulation.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-25370; (812-12654)]

Harbor Fund and Harbor Capital Advisors, Inc.; Notice of Application

January 16, 2002.

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

ACTION: Notice of application for an order under section 6(c) of the Investment Company Act of 1940 (the "Act") to amend a prior order that granted an exemption from section 15(a) of the Act and rule 18f-2 under the Act.

SUMMARY OF APPLICATION: Applicants request an order amending a prior order (the "Prior Order") that permits them to enter into and materially amend sub-advisory agreements without shareholder approval.¹

Applicants: Harbor Fund (the "Trust") and Harbor Capital Advisors, Inc. (the "New Adviser").

FILING DATE: The application was filed on October 4, 2001 and amended on January 14, 2002.

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 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 February 11, 2002, and should be accompanied by proof of

service on 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 20549-0609. Applicants: One SeaGate, Toledo, Ohio 43666.

FOR FURTHER INFORMATION CONTACT: Jean Minarick, Senior Counsel, at (202) 942-0527 or Nadya Roytblat, Assistant Director, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the Commission's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549-0102, (202) 942-8090.

Applicants' Representations

1. The Trust is an open-end management investment company currently composed of thirteen series ("Funds").² The New Adviser, a wholly owned subsidiary of Robeco Groep, N.V., acts as investment adviser to the Trust and has the responsibility, subject to oversight by the board of trustees of the Trust ("Board") to oversee the selection of investment sub-advisers ("Portfolio Managers") which it selects and to recommend to the Trust's Board their hiring, termination and replacement. The New Adviser is registered under the Investment Advisers Act of 1940.

2. On October 21, 1997, the Trust and its prior investment adviser, then a wholly owned subsidiary of Owens-Illinois, Inc. (the "Prior Adviser"), received the Prior Order permitting the Trust and the Prior Adviser to enter into and materially amend sub-advisory agreements ("Sub-Advisory Agreements") for the Funds without obtaining shareholder approval.

² Applicants request that any relief granted also apply to any future series of the Trust and any other registered open-end management investment company or series thereof (a) that are advised by the New Adviser or any entity controlling, controlled by or under common control with the New Adviser, and (b) that use the management structure described in the application ("Future Funds," and together with the Funds, the "Funds.") Any Fund that relies on the requested order will do so only in accordance with the terms and conditions contained in the application. The trust is the only existing open-end management investment company that currently intends to rely on the order. No Fund will have in its name the name of a Portfolio Manager, as defined below.

¹ *Harbor Fund and Harbor Capital Advisors, Inc.*, Investment Company Act Release Nos. 22832 (Sept. 25, 1997) (notice) and 22863 (Oct. 21, 1997) (order).