

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.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27509]

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

March 22, 2002.

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 April 16, 2002, 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 April 16, 2002, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

American Electric Power Company Inc., et al. (70-10057)

American Electric Power Company Inc. ("AEP"), a registered holding

company, and its twelve electric utility subsidiary companies, AEP Generating Company ("Generating"), Appalachian Power Company ("Appalachian"), Central Power and Light Company ("Central"), Columbus Southern Power Company ("Columbus"), Indiana Michigan Power Company ("Indiana"), Kentucky Power Company ("Kentucky"), Kingsport Power Company ("Kingsport"), Ohio Power Company ("Ohio"), Public Service Company of Oklahoma ("Oklahoma"), Southwestern Electric Power Company ("Southwestern"), West Texas Utilities Company ("West Texas"), and Wheeling Power Company ("Wheeling"), all located at 1 Riverside Plaza, Columbus, Ohio, 43215, (collectively, "Applicants") have filed a declaration under section 12(d) of the Act and rule 44 under the Act.

Applicants request authority to sell certain utility assets, particularly substations, transmission and distribution lines and other utility assets that serve customers of the Applicants as well as poles that will be transferred as part of joint use agreements. By previous order dated December 31, 1996 (HCAR No. 26622), AEP's electric utility subsidiaries were authorized to sell utility assets for consideration of up to \$5 million per operating subsidiary per calendar year. This authority was granted through December 31, 2001. Applicants now request authority for the twelve utility subsidiaries to sell utility assets for consideration up to \$15 million per operating company per calendar year ("Authorized Amount") through September 30, 2006 ("Authorization Period"). As the electric utility industry makes its transition to a more competitive environment, Texas has adopted measures requiring restructuring of utilities. In response to requests of customers and as mandated by the Public Utility Commission of Texas, AEP is required to transfer substations and transmission and distribution lines or other utility assets that serve the customer, if so requested by the customer, to that customer or to potential customers. In addition, AEP will be involved in routine transfers of poles to joint users.

Applicants request that they and any affiliated public utility company succeeding to the utility assets as part of restructuring of the AEP system required by restructuring of the electric power industry be permitted to transfer utility assets to customers and non-customers through the Authorization Period at not less than the net book value of the assets on the date of the sale. In the case of a lease, the lease payments will be valued over the term

of the lease and be counted against the Authorized Amount in the initial year of the lease. Proceeds for sales of the utility assets will be added to the general funds of the companies making the sales and will be used to pay the general obligations of the companies.

Alliant Energy Corporation, et al. (70-10052)

Alliant Energy Corporation ("Alliant Energy"), a registered holding company, Alliant Energy Resources, Inc. ("AER"), a wholly owned direct nonutility subsidiary of Alliant Energy, Alliant Energy Corporate Services, Inc. ("Alliant Services"), a wholly owned direct service company subsidiary of Alliant Energy, Energys, Inc., a wholly owned direct nonutility subsidiary of Alliant Energy Integrated Services Company ("Integrated Services"),¹ Alliant Energy Generation, Inc., a wholly owned direct nonutility subsidiary of AER, Heartland Energy Group, Inc., a wholly owned direct nonutility subsidiary of Integrated Services, Heartland Energy Services, Inc., a wholly owned direct nonutility subsidiary of Alliant Energy Investments, Inc. ("AE Investments"),² all at 222 West Washington Avenue, Madison, Wisconsin 53703, Interstate Power and Light Company ("IP&L"), a direct public-utility company subsidiary of Alliant Energy, Alliant Energy Transportation, Inc. ("AE Transportation"), a wholly owned direct nonutility subsidiary of AER, AE Investments, a wholly owned direct nonutility subsidiary of AER, Iowa Land and Building Company, a wholly owned direct nonutility subsidiary of AE Investments, Alliant Energy International, Inc., a wholly owned direct nonutility subsidiary of AER, Integrated Services, a wholly owned direct nonutility subsidiary of AER, Alliant Energy Integrated Services-Energy Management LLC, a wholly owned direct nonutility subsidiary of Integrated Services, Alliant Energy Integrated Services-Energy Solutions LLC, a wholly owned direct nonutility subsidiary of Integrated Services, Iowa Land and Building Company, a wholly owned direct nonutility subsidiary of AE Investments, Prairie Ridge Business Park, L.C., a wholly owned direct nonutility subsidiary of AE Investments, Transfer Services, Inc., a wholly owned direct nonutility subsidiary of AE Transportation, Williams Bulk Transfer Inc., a wholly owned direct nonutility subsidiary of AE Transportation, all at Alliant Tower, 200 First Street, SE.,

¹ Integrated Services is described below.

² AE Investments is described below.

⁵ 15 U.S.C. 78l(g).

Cedar Rapids, Iowa 52401, Alliant Energy Field Services, LLC, a wholly owned direct nonutility subsidiary of Integrated Services, 5033 A Tangle Lane, Houston, Texas 77056, Cedar Rapids and Iowa City Railway Company, a wholly owned direct nonutility subsidiary of AE Transportation, 2330 12th Street, SW., Cedar Rapids, Iowa 52404, Cogenex Corporation, a wholly owned direct nonutility subsidiary of Integrated Services, Boott Mills South, 100 Foot of John St., Lowell, Massachusetts 01852, Energy Performance Services, Inc., a wholly owned direct nonutility subsidiary of Integrated Services, Industrial Energy Applications, Inc., a wholly owned direct nonutility subsidiary of Integrated Services, both 201 Third Avenue, SE., Suite 300, Cedar Rapids, Iowa 52406, Heartland Properties, Inc., a wholly owned direct nonutility subsidiary of AE Investments, Capital Square Financial Corporation, a wholly owned direct nonutility subsidiary of AER, both 122 W. Washington Avenue, Madison, Wisconsin 53703, IEL Barge Services, Inc., a wholly owned direct nonutility subsidiary of AE Transportation, 18525 Hwy 20 West, East Dubuque, Illinois 61025, Industrial Energy Applications Delaware, Inc., a wholly owned direct nonutility subsidiary of Integrated Services, 5925 Dry Creek Lane, NE., Cedar Rapids, Iowa 52402, RMT, Inc., a wholly owned direct nonutility subsidiary of Integrated Services, 744 Heartland Trail, Madison, Wisconsin 53717, Schedin & Associates, Inc., a wholly owned direct nonutility subsidiary of Integrated Services, 920 Plymouth Building, 12 South Sixth Street, Minneapolis, Minnesota 55401, SVBK Consulting Group, Inc., a wholly owned direct nonutility subsidiary of Integrated Services, 37 N. Orange Ave., Suite 710, Orlando, Florida 32801, and Whiting Petroleum Corporation, a wholly owned direct nonutility subsidiary of AER, Mile High Center, Suite 2300, 1700 Broadway, Denver, Colorado 80290 (collectively, "Applicants"), have filed an application-declaration with the Commission under sections 6(a), 7, 9(a), 10, and 12(b) of the Act and rules 24, 43(a), 45(a), and 54 under the Act.

I. Background

By orders dated December 18, 1998 (HCAR No. 26956) and December 15, 2000 (HCAR No. 27304), the Commission authorized Alliant Energy to issue and sell \$1 billion in notes and/or commercial paper through June 30, 2004 ("Prior Authorization Period") and to use the proceeds to fund two money

pools, one for its public-utility company subsidiaries other than South Beloit Water, Gas & Electric Company ("Utility Money Pool") and the other for certain of its nonutility subsidiaries ("Nonutility Money Pool"). More specifically, by those orders the Commission authorized: (1) Alliant Energy to loan up to \$475 million in 2001, through the Utility Money Pool, to IP&L, Wisconsin Power & Light Company, and Alliant Services; (2) Alliant Energy to lend up to \$525 million through the Utility Money Pool during the remainder of the Prior Authorization Period; and (3) Alliant Energy to provide guaranties, enter into expense agreements, and otherwise provide credit support in an amount not to exceed \$600 million at any time outstanding, to support a separate commercial paper program to fund the Nonutility Money Pool. Accordingly, AER established a separate commercial paper program and bank credit facilities totaling \$600 million, which are used to fund loans through the Nonutility Money Pool. Alliant Energy guarantees all of those borrowings.

By order dated October 24, 2001 (HCAR No. 27456 and, together with HCAR No. 26956 and HCAR No. 27304, "Prior Orders"), the Commission authorized among other things: (1) Interstate Power Company, a wholly owned public-utility company subsidiary of Alliant Energy, to merge into IES Utilities Inc., another wholly owned public-utility company subsidiary of Alliant Energy; and (2) IES Utilities Inc. to borrow up to \$250 million at any one time outstanding through the Utility Money Pool.

II. Proposals

Applicants seek to restate, modify, and extend the authorizations granted under the Prior Orders. Applicants request that the Commission authorize through December 31, 2004 ("Authorization Period") the continued operation of the Utility Money Pool. They state that the Utility Money Pool would be operated and administered in the same manner, except that: (1) WP&L, a direct public-utility company subsidiary of Alliant Energy, would no longer participate; and (2) Alliant Energy, IP&L, or both, would invest funds derived from external sources. To the extent required, Applicants request authority for the participants in the Utility Money Pool to make loans and extend credit to each other.³

³ Applicants state that Alliant Energy would participate in the Utility Money Pool only as a lender.

Applicants also request that the Commission authorize the continued operation of the Nonutility Money Pool through the Authorization Period. They state that the Nonutility Money Pool would continue to be operated on the same terms and conditions as the Utility Money Pool, except that Alliant Energy intends to fund directly the Nonutility Money Pool using proceeds from sales of its short-term debt.⁴ Applicants state that terminating AER's separate commercial paper facility would eliminate duplicate program costs. However, in the event that Alliant Energy decides to continue funding the Nonutility Money Pool through AER, Applicants request authority for Alliant Energy, through the Authorization Period, to guarantee borrowings by AER in an aggregate amount that would not exceed \$700 million at any one time outstanding.⁵ Applicants state that all loans to and borrowings from the Nonutility Money Pool would be used to finance the existing businesses of the participants and, correspondingly, would be exempt under rule 52(b) under the Act.

Applicants seek to obtain external funds to invest in, among other things, the Utility and Nonutility Money Pools. Specifically, they request authority for Alliant Energy to issue and sell through the Authorization Period up to an aggregate amount of \$1 billion, at any time outstanding, of commercial paper to dealers and notes and other forms of short-term indebtedness to banks and other institutional lenders (collectively, "Short-Term Debt"). All Short-Term Debt would have maturities of less than one year from the date of issuance, and the effective cost of money on all Short-Term Debt would not exceed at the time of issuance 300 basis points over the London Interbank Offered Rate for maturities of one year or less. Applicants state that the proceeds from the sales of Short-Term Debt would be invested in the Utility and Nonutility Money Pools⁶ and/or used for other corporate purposes, including funding of investments in exempt wholesale

⁴ Currently, AER invests in the Nonutility Money Pool using external funds obtained through sales of its commercial paper and bank credit facilities it maintains, and Alliant Energy guarantees those debt issuances.

⁵ The proposed guaranty authority would be in addition to the authorization granted by the Commission in an order dated October 3, 2001. See *Alliant Energy*, HCAR No. 27448.

⁶ Applicants state that Alliant Energy would invest up to an aggregate amount of \$350 million at any one time outstanding in the Utility Money Pool, and up to an aggregate amount of \$700 million at any one time outstanding in the Nonutility Money Pool.

generators and foreign utility companies.

Applicants request authority for IP&L to issue and sell Short-Term Debt through the Authorization Period in a principal amount which, when added to the principal amount of its borrowings through the Utility Money Pool, would not at any time exceed \$300 million.

Applicants state that, presently, borrowings by IP&L have a lower effective cost than borrowings by Alliant Energy, its parent company.

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

[File No. 22-28586]

Application and Opportunity for Hearing: USG Corporation

March 22, 2002.

The Securities and Exchange Commission gives notice that USG Corporation has filed an application under Section 310(b)(1)(ii) of the Trust Indenture Act of 1939. USG asks the Commission to find that the trusteeship of National City Bank of Indiana as successor trustee under:

- An indenture dated October 1, 1986, between USG and Harris Trust and Savings Bank, a predecessor trustee, with respect to 9¼% Senior Notes due September 15, 2001 and 8½% Senior Notes due August 1, 2005, and
- 12 indentures between USG and certain predecessor trustees, with respect to tax-exempt bonds listed in Exhibit A, that have not been qualified under the 1939 Act,

is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify National City from acting as trustee under these indentures.

Section 310(b) of the 1939 Act provides, in part, that if a trustee under an indenture qualified under the Act has or acquires any conflicting interest described in that section, the trustee must, within ninety days after ascertaining that it has a conflicting interest, either eliminate the conflicting interest or resign. Section 310(b)(1) provides, with stated exceptions, that a trustee shall be deemed to have a conflicting interest if the trustee is also a trustee under another indenture under

which any other securities of the same obligor are outstanding. However, under Section 310(b)(1)(ii), specified situations are exempt from the deemed conflict of interest under Section 310(b)(1). Section 310(b)(1)(ii) provides, in part, that an indenture to be qualified shall be deemed exempt from Section 310(b)(1) if:

the issuer shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that trusteeship under the indenture * * * is not so likely to involve a *material conflict of interest* as to make it necessary in the public interest or for the protection of investors to disqualify such trustee from acting as such under one of such indentures * * * Section 310(b)(1)(ii) (emphasis added).

Under this provision, National City's trusteeship under the indentures may be excluded from the operation of Section 310(b)(1) if USG sustains the burden of proving, on application to the Commission, that a material conflict of interest is not so likely as to make it necessary in the public interest or for the protection of investors to disqualify National City from acting as trustee under any of the indentures.

In its application, USG alleges that:

1. USG issued the 9¼% Senior Notes due September 15, 2001 and the 8½% Senior Notes due August 1, 2005 in registered public offerings in the United States (Registration Statement Nos. 33-52433 and 33-60563), and USG qualified the indenture under the 1939 Act. USG issued the tax-exempt bonds under indentures that were not qualified under the 1939 Act. The securities outstanding under the indentures rank *pari passu* with each other and are wholly unsecured. However, none of the indentures references any other indenture.

2. As a result of a Resignation, Appointment and Acceptance Agreement, dated and effective June 18, 2001, National City succeeded as trustee under the qualified indenture. Under various other Resignation, Appointment and Acceptance Agreements that are listed in Exhibit A, National City has succeeded, or is in the process of succeeding, as trustee under the non-qualified indentures.

3. As of the date of USG's application, USG is in default under the indentures due to its filing of a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code on June 25, 2001. The commencement of a voluntary case under the U.S. Bankruptcy Code constitutes an "Event of Default" under Section 6.01 of the qualified indenture. The commencement of a voluntary case under the U.S. Bankruptcy Code also constitutes an "Event of Default" under each of the non-qualified indentures. Thus, USG is in default under all of the indentures.

4. Section 310(b)(1)(i) exempts an indenture from the provisions of Section 310(b) "if the indenture to be qualified and any such other indenture or indentures * * * are wholly unsecured and rank equally, and such other indenture or

indentures * * * are specifically described in the indenture to be qualified or are thereafter qualified." None of the indentures references any other indenture. USG asserts that the absence of these references does not create a risk of material conflict between the indentures where none otherwise exists.

5. USG asserts that because the securities outstanding under all of the indentures rank equally with one another in right of payment and are wholly unsecured, it is highly unlikely that National City would ever be subject to a conflict of interest with respect to issues relating to the priority of payment. National City would neither be in a position, nor required by the terms of any indenture, to assert that securities outstanding under one indenture are entitled to payment prior to payment of claims under another indenture.

6. Further, USG asserts that there are no material variations among the default and remedy provisions of the indentures. USG asserts that because of the similarity of these provisions, including the cross-default provisions, and the defaults under all of the indentures, it is highly unlikely as a practical matter that National City would find itself in a position of proceeding against USG for a default under one indenture but not another indenture.

7. USG asserts that it is in the best interest of USG and the holders of the securities under the indentures that National City serves simultaneously as trustee under all the indentures. National City is not a creditor of USG and has no business relationship with USG other than under the indentures. National City's trusteeship also will allow USG to avoid the significant duplicative costs associated with having more than one trustee and their separate professional review, understand, and administer similar indentures, and interact with USG and other parties in interest as USG works to address its present financial circumstances.

USG has waived notice of a hearing in connection with this matter. Any interested persons should look to the application for a more detailed statement of the asserted matters of fact and law. The application is on file in the Commission's Public Reference Section, File No. 22-28586, 450 Fifth Street, NW., Washington, DC 20549.

The Commission also gives notice that any interested persons may request in writing that a hearing be held on this matter. Interested persons must submit those requests to the Commission no later than April 22, 2002. Interested persons must include the following in their request for a hearing on this matter:

- The nature of that person's interest;
- The reasons for the request; and
- The issues of law or fact raised by the application that the interested person desires to refute or request a hearing on.

The interested person should address this request for a hearing to: Margaret H. McFarland, Deputy Secretary, U.S.